

EXHIBIT 12

Emails and correspondence showing addresses in
Reno, Nevada and Las Vegas, Nevada

EXHIBIT 12

1/23/2018

Consumer Defense, LLC Mail - Consumer Link Letterhead



Alli Parkinson <aparkinson@consumerdefense.com>

Consumer Link Letterhead

1 message

Alli Parkinson <aparkinson@consumerdefense.com>

Mon, Sep 19, 2016 at 1:45 PM

To: Ana Amaya <aamaya@consumerdefense.com>, Rebecca Peace <rpeace@consumerdefense.com>, Mia Apcho <mapcho@consumerdefense.com>, Brianne Whitmire <bwhitmire@consumerdefense.com>, Cameron James <cjames@consumerdefense.com>, Vince Salas <vsalas@consumerdefense.com>, Shannon Martinez <smartinez@consumerdefense.com>, Bobbi Collins <bcollins@consumerdefense.com>

Please make sure anything you are sending out from Consumer Link is on our letterhead so that the clients know who it is coming from.

If you have documents that you need placed onto the letterhead, I'm happy to do it, just let me know.

--

--Thanks

--Alli Parkinson
Billing
Consumer Defense

500 North Rainbow Blvd

Suite 300, PMB 130

Las Vegas, NV 89107

888-980-7566 EXT 235**888.334.7255 FAX****Hours of operation Monday-Friday 7:00-3:00 (PST)**

Confidentiality Notice: This message, including any attachment(s), may contain confidential information protected by law. The information contained herein is for the sole use of the intended recipient(s). If you have received this message in error, please contact the sender at the e-mail address listed above and destroy all copies of the original message, including any attachments. Thank you.

**Consumer Link Letterhead.docx**

69K



Consumer Link, Inc.
200 S. Virginia, 8th Floor
Reno, NV 89501
Phone: (888) 980-7317
Fax: (888) 224-6524

January 23, 2018

1/23/2018

Consumer Defense, LLC Mail - Re: Task Reminder for [REDACTED] Anderson... Your payment is due



Alli Parkinson <aparkinson@consumerdefense.com>

Re: Task Reminder for [REDACTED] Anderson... Your payment is due

15 messages

[REDACTED]@yahoo.com>
To: aparkinson@consumerdefense.com

Thu, Sep 15, 2016 at 10:53 AM

Hello! Sorry missed ur call I'm in clinic and can't answer phone email is best

Sent from my iPhone

On Sep 14, 2016, at 5:31 PM, Alli Parkinson <info@mailers.theloanpost.com> wrote:

Hi [REDACTED] Anderson,

You have a task to do.

Subject: Your payment is due

Client Name: [REDACTED] Anderson

Property Address: [REDACTED] Fayetteville, AR.72704

Due On: Sep 16, 2016 06:30 PM - EST

Comments:

If your payment is declined or returned there will be a \$25.00 fee added to your account. Any file with a payment hold will have a \$50.00 fee added to the account to remove the hold.

Your payment will be processed using the bank account information that you provided and will be listed on your bank statement as one of the following:

- * AM Property Management
- * Preferred Law

If you have any questions regarding this payment please give the billing department a call at 888-980-7457 ext 235. ANY RESCHEDULED PAYMENTS WILL HAVE A \$50.00 CHARGE.

If you would like to unsubscribe and stop receiving these emails click here.

Alli Parkinson <aparkinson@consumerdefense.com>
To: [REDACTED]@yahoo.com>

Thu, Sep 15, 2016 at 10:55 AM

Not a problem, I understand.

I had just been asked by Lisa to give you a call in regards to your payment.

She said you need to move your payment to Monday. I wanted to confirm with you that Monday is correct.

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1/23/2018

Consumer Defense, LLC Mail - Re: Task Reminder for [REDACTED] Anderson... Your payment is due

Also, there is a \$50.00 rescheduling fee that is applied with all rescheduled payments. I wanted to see if Monday works to pay that as well, or if we need to place it on a different day.

[Quoted text hidden]

--

--Thanks

--Alli Parkinson
Billing
Consumer Defense

500 North Rainbow Blvd
Suite 300, PMB 130
Las Vegas, NV 89107
888-980-7566 EXT 235
888.334.7255 FAX
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[REDACTED]@yahoo.com>
To: Alli Parkinson <aparkinson@consumerdefense.com>

Thu, Sep 15, 2016 at 11:38 AM

Can we place the 50.00 fee on next months payment ? And yes I need to move it til actually Tues, my check will go in Monday afternoon and I want to make sure it's there before payment comes out. This is the first time this has happened and I'm Hoping the last

Sent from my iPhone
[Quoted text hidden]

Alli Parkinson <aparkinson@consumerdefense.com>
To: [REDACTED]@yahoo.com>

Thu, Sep 15, 2016 at 11:50 AM

I understand.

I will get it scheduled for Tuesday, and will put the reschedule fee with your October payment.

Thank you.
[Quoted text hidden]

[REDACTED]@yahoo.com>
To: Alli Parkinson <aparkinson@consumerdefense.com>

Thu, Sep 15, 2016 at 1:05 PM

Thank you so much

Sent from my iPhone
[Quoted text hidden]

[REDACTED]@yahoo.com>
To: Alli Parkinson <aparkinson@consumerdefense.com>

Tue, Oct 18, 2016 at 12:17 PM

Alli I didn't see payment come out, however I need to see if the 650.00 can come out on the first of every month, for two reasons.
A. That's when I get my most income.
B. All of my other payments come out on the 15th.

So I would always be late and I'm trying to get everything situated where I am not trying to get all paid at one time.

Thanks

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1/23/2018

Consumer Defense, LLC Mail - Re: Task Reminder for [REDACTED] Anderson... Your payment is due

[REDACTED] Anderson

Sent from my iPhone

[Quoted text hidden]

Alli Parkinson <aparkinson@consumerdefense.com>

Tue, Oct 18, 2016 at 12:38 PM

To: [REDACTED]@yahoo.com>

I did not go through; it declined, which is why you haven't seen it come out. If the funds are available, I can try to run it again.

We do have the ability to reschedule your payments; there would be a \$50.00 reschedule fee to do so, so I would need to know when you can pay that as well.

[Quoted text hidden]

[Quoted text hidden]

801-938-8066

888-334-7255 FAX

Hours of operation Monday-Friday 7:00-3:00 (PST)

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[REDACTED]@yahoo.com>

Tue, Oct 18, 2016 at 12:52 PM

To: Alli Parkinson <aparkinson@consumerdefense.com>

So we can make them start coming out on the 1st instead of 15th?

Sent from my iPhone

[Quoted text hidden]

Alli Parkinson <aparkinson@consumerdefense.com>

Tue, Oct 18, 2016 at 12:54 PM

To: [REDACTED]@yahoo.com>

Yes, we're able to do that, but we do need to get the October payment taken care of as well.

[Quoted text hidden]

--Thanks

--Alli Parkinson

Billing

Consumer Defense & AHLIC

801-938-8066

Hours of operation Monday-Friday 8:00-4:00 (MST)

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[REDACTED]@yahoo.com>

Tue, Oct 18, 2016 at 1:02 PM

To: Alli Parkinson <aparkinson@consumerdefense.com>

Ok so on Nov 1st I'm going ok a \$1300.00 payment for Oct and Nov. and a payment of \$100.00 on Nov 15th for both past 50.00 charge and current \$50 charge for changing due date. If that's good with you.

Sent from my iPhone

[Quoted text hidden]

EXHIBIT 12

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1/23/2018

Consumer Defense, LLC Mail - Re: Task Reminder for [REDACTED] Anderson... Your payment is due

Alli Parkinson <aparkinson@consumerdefense.com>

Tue, Oct 18, 2016 at 1:07 PM

To: [REDACTED]@yahoo.com>

Yes, that will work. I will get everything scheduled accordingly.

Thank you!

[Quoted text hidden]

[REDACTED]@yahoo.com>

Tue, Oct 18, 2016 at 1:38 PM

To: Alli Parkinson <aparkinson@consumerdefense.com>

Thanks! I'm trying to get all payments arranged where they all don't come out at once!!! And this helps 😊

Sent from my iPhone

[Quoted text hidden]

[REDACTED]@yahoo.com>

Thu, Oct 20, 2016 at 9:47 AM

To: Alli Parkinson <aparkinson@consumerdefense.com>

Vince said my file is on hold? Since we have made arrangements can we get this off so that they can continue?

Thanks Radena

Sent from my iPhone

[Quoted text hidden]

Alli Parkinson <aparkinson@consumerdefense.com>

Thu, Oct 20, 2016 at 9:49 AM

To: [REDACTED]@yahoo.com>

Unfortunately not. Management does not remove the hold until the payment is received.

[Quoted text hidden]

[REDACTED]@yahoo.com>

Thu, Oct 20, 2016 at 9:57 AM

To: Alli Parkinson <aparkinson@consumerdefense.com>

Ok it will be there the first then, unless I get the money from my crafting all in (then I can take care of it sooner) and then just start payments on 1st... either way I will let you know for sure 😊 thanks for your help!

Sent from my iPhone

[Quoted text hidden]

1/23/2018

Consumer Defense, LLC Mail - Follow up on Documents we have not yet received.



Vince Salas <vsalas@consumerdefense.com>

Follow up on Documents we have not yet received.

Vince Salas <vsalas@consumerdefense.com>

Tue, Nov 8, 2016 at 9:28 AM

To: [REDACTED]@yahoo.com>

Hello Ms. [REDACTED] Anderson,

I am Emailing to you as of 11/08/2016 regarding your Email that I received. Our office was already closed when you sent the Email to us at approx. 5:11pm.

I am following up on your Billing File that is still on HOLD since 10/14/2016 due to "Payment was Declined". Its very important to contact the Billings Department immediately and speak with Alli Parkinson right away at 801-386-5100 Ext 235
Email address: aparkinson@consumerdefense.com

It is very important to have your Billing File off HOLD in order to continue with your Processing File of Documents, financial information, etc once we gather all your information and then move you to Negotiations with the Negotiations Department and get started on the Modification. Otherwise, this will delay the process. Do not contact me for your Billing File that's on HOLD. That needs to be done with the Billings Department immediately with Alli Parkinson. You only contact with me as your Processor for all your documents, etc that you are emailing or faxing to me.

As soon as you can, please send right away the rest of the documents, etc that we have not yet received, in which I Emailed to you on 11/01/2016 a List of Documents and information, etc. It is important to follow through in a timely matter in order to get the help you need. CHECK YOUR INBOX & YOUR SPAM FOR ANY OF OUR EMAILS BEING SENT TO YOU.

If you have any questions or information, feel free to contact us.
Our office is open between 8am to 4pm (Mountain Standard Time)
We will be closed on Friday, 11/11/2016 to Observe "Veterans Day".

--Thank you and have a great day.

--Vince Salas

Processor

Consumer Link

200 S. Virginia

8th Floor

Reno, NV 89501

801-938-7117

888.224.6524 FAX

Email Address: vsalas@consumerdefense.com

Hours of operation Monday-Friday 800AM-4:00PM (MST)

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1/23/2018

Consumer Defense, LLC Mail - "Billing File on HOLD"



Vince Salas <vsalas@consumerdefense.com>

"Billing File on HOLD"

3 messages

Vince Salas <vsalas@consumerdefense.com>

Fri, Feb 10, 2017 at 9:02 AM

To: [REDACTED]@gmail.com>

Dear Mr. [REDACTED] Manczur,

Your Billing file is on HOLD and we cannot work on your file due to payment issues.

"Please contact Alli Parkinson who is in charge of your Billing File as soon as possible to resolve this payment issue at 801-386-5100 Extension 235." We greatly appreciate it.

We are open Monday – Friday from 8:00AM to 4:00PM Mountain Standard Time.

*--Thank you and have a great day.**--Vince Salas
Processor**Consumer Link**200 S. Virginia**8th Floor**Reno, NV 89501**801-938-7117**888.224.6524 FAX**Hours of operation MondayFriday 8:00AM-4:00PM (MST)*

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[REDACTED]@gmail.com>

Thu, Feb 16, 2017 at 7:58 PM

To: Vince Salas <vsalas@consumerdefense.com>

You just billed me 150 after I said not to. I am confused?

[REDACTED] Manczur

[REDACTED]
Denver, CO 80204[REDACTED]
[Quoted text hidden]EXHIBIT 12
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1/23/2018

Consumer Defense, LLC Mail - "Billing File on HOLD"

Vince Salas <vsalas@consumerdefense.com>

Fri, Feb 17, 2017 at 7:06 AM

To: [REDACTED]@gmail.com>

Dear Mr. Manczur,

When it comes to your bill, you'll need to speak with Ms. Alli Parkinson at 801-386-5100 Extension 235 who is in charge of your Billing File / Payment Issues, etc.

I do not handle any of this. Any questions or concerns regarding your Billing File / Payment Issues, etc is directed to Ms. Parkinson. We are open Monday – Friday from 8:00AM to 4:00PM Mountain Standard Time.

[Quoted text hidden]

--
--
--*--Thank you and have a great day.**--Vince Salas
Processor**Consumer Link
200 S. Virginia
8th Floor
Reno, NV 89501
801-938-7117**888.224.6524 FAX**Hours of operation MondayFriday 8:00AM-4:00PM (MST)*

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Rod

Hey All,

I wanted to shoot a quick email letting everyone know that moving forward I will no longer be addressing the envelopes. If you want anything to be sent out it is going to have to be addressed with a printed envelope. **NOT HANDWRITTEN!!!!** Also, ALL MAIL MUST BE LABELED FOR WHICH OFFICE IT IS COMING FROM!!!

Consumer Defense, LLC

500 North Rainbow Blvd
Suite 300, PMB 130
Las Vegas, NV 89107

Consumer Link, INC.

200 S. Virginia
8th floor
Reno, NV 89501

Preferred Law

2825 E. Cottonwood Parkway
Suite 500
SLC, UT 84121

American Home Loan Counselors

8180 S. 700 E.
Suite 110
Sandy UT 84070

IF YOU FAIL TO HAVE THE PIECE OF MAIL IN AN ENVELOPE AND ADDRESSED WITH A **PRINTED** LABEL IT WILL NOT BE SENT OUT.

If you have any questions please feel free to email or speak with Bobbi or myself! Thank you all in advance!

EXHIBIT 13

American Home Loans standard contract

EXHIBIT 13



Consumer Link, Inc.
200 S. Virginia, 8th Floor
Reno, NV 89501
Phone: (888) 980-7317
Fax: (888) 224-6524

Borrower(s) Authorization

Date: 8/9/17 Account Number: 0015380389
Lender: American Financial Resources Inc. (Name of First Lender)

The undersigned borrower(s) do hereby appoint Consumer Link, Inc., acting by and through its employees, staff and agents, as the authorized agents of the undersigned and to negotiate and act on behalf of the undersigned with respect to avoiding foreclosure of the following real property:

[Redacted Address] (Address of Property)
Charleston, TN 37310 (City, State, Zip)

As necessary to carry out the above, Consumer Link, Inc., acting by and through its employees, staff and agents, are expressly authorized, on behalf of the undersigned, to:

1. Communicate with my creditors, home lender, and financial institutions to obtain any and all information regarding my accounts or debts that I may owe, including for example the account balances, payment history, verification of the account and any other information necessary to allow Consumer Link, Inc. to evaluate and formulate settlement, modification relief services, or payment offers on my behalf.
2. Make good faith settlement or payment offers on my behalf. This authorization shall expire six (6) months from the date above unless rescinded in writing prior to that date.

Borrower: [Redacted]

Signature [Redacted]

Printed Name [Redacted]

Social Security Number [Redacted]

Date of Birth [Redacted]

Co-Borrower: _____

Signature _____

Printed Name _____

Social Security Number _____

Date of Birth _____

Authorized REPRESENTATIVES of Consumer Link, Inc. that can be reached at (888) 980-7317: • Jonathan Hanley • Sandra Hanley • Bobbi Collins • Shannon Martinez • Rebecca Peace • Mia Apcho • Alli Parkinson • Cameron James • Vince Salas • Elizabeth Austin • Alicia Zuniga • Xela Larios • Kristin Hafoka • Victoria Torres •

Authorization



Payment Form

American Home Loans, LLC Representative: Paul Cysewski

Client Information:

Name: [REDACTED] Baker

Phone: Cell: [REDACTED] Home:

E-mail: [REDACTED]@yahoo.com

Physical Address: [REDACTED] Charleston, TN. 37310

Billing Information:

Bank Name: Branch Banking and Trust

Routing #: [REDACTED]

Account #: [REDACTED]

Daily limit if any: \$ 1000.00

Billing Address: [REDACTED] Charleston, TN 37310

Payment Schedule:

	Date	Amount
1	08/11/2017	\$975.00
2	09/08/2017	\$975.00
3	10/06/2017	\$975.00
4	11/03/2017	\$975.00
TOTAL		\$3,900.00

Client's Signature:

Date: 8/8/17

Sign here ►

[REDACTED] Baker

Page 1 of 1
Payment Form

American Home Loans, LLC • 2825 E Cottonwood Pkwy • Suite 500 • Salt Lake City, UT 84121
Phone: (888) 980-7566 • Fax: (888) 334-7255 • www.americanhomeloans.com



August 7, 2017

[REDACTED] Baker

Co- Borrower:

Charleston, TN. 37310

Re: Service Guarantee Agreement

Dear [REDACTED]

American Home Loans, LLC welcomes you. We hope to shortly assist you with submitting a Qualified Written Request and forwarding your file to Consumer Link, Inc. for processing. Our services are detailed in the "Consumer Advocacy Agreement" letter. Once all of your information and documentation is received, and unless you direct otherwise in writing, Consumer Link will initiate your modification services and will be your primary contact throughout the process.

Based on the past performance of Consumer Link and our knowledge of your factual situation, American Home Loans hereby GUARANTEES that a modification or home foreclosure alternative pursuant to the HAFA program will be secured for you conditioned upon the following terms:

- ☒ You allow Consumer Link to process the modification and you promptly cooperate with Consumer Link and American Home Loans at all times.
- ☒ All communications from your lender, if any, are immediately forwarded to Consumer Link.
- ☒ All documents will be submitted when requested by the deadlines given.
- ☒ There will be no significant changes to your current circumstances.
- ☒ All relevant information provided by you is entirely accurate and complete.
- ☒ All payments to American Home Loans made on time per the payment schedule.
- ☒ Any and all disputes between the parties related to this agreement and American Home Loans shall be governed by the terms of the "Consumer Advocacy Agreement."
- ☒ This agreement constitutes the entire agreement between the parties relating to the transactions contemplated hereby and all other prior or contemporaneous agreements, promises, claims, understandings, representations and statements, oral or written, are merged into this agreement.

American Home Loans, LLC



American Home Loans, LLC • 2825 E Cottonwood Fkwy • Suite 500 • Salt Lake City, UT 84121
Phone: (888) 980-7566 • Fax: (888) 334-7255 • www.americanhomeloans.com



August 7, 2017

[Redacted] Baker

Co-Borrower:

Charleston, TN. 37310

Re: **Consumer Advocacy Agreement**

Dear [Redacted]:

Please find enclosed the "Terms and Conditions" governing the services provided through American Home Loans, LLC.

	<i>Borrower</i>	<i>Co-Borrower (if any)</i>
Name(s)	[Redacted] Baker	
Street Address	[Redacted]	
City, State, Zip	Charleston, TN 37310	
Phone Number	[Redacted]	
E-mail	[Redacted]@yahoo.com	

I (We), the above-named Client(s)/Borrower(s), affirm that I (we) have received, read, and understand the "Terms and Conditions" provided below, and AGREE to the terms thereof.

Client:

Date: 8/8/17

Sign here ►

[Redacted] Baker
[Redacted] Baker

Client Name:

Co-Client:

Date: _____

Sign here ►

Client Name: _____

Page 1 of 6
Consumer Advocacy Agreement

American Home Loans, LLC • 2825 E Cottonwood Pkwy • Suite 500 • Salt Lake City, UT 84121
Phone: (888) 980-7566 • Fax: (888) 334-7255 • www.americanhomeloans.com

TERMS AND CONDITIONS

IN CONSIDERATION of the promises and covenants of the parties to this agreement (the "Agreement"), the above-named Client and co-Client(s) (collectively referred to as "Client" or "Borrower"), American Home Loans, LLC ("American Home Loans"), and the other intended beneficiaries of this Agreement, hereby agree as follows:

1. **Scope of Services.** Client hereby appoints American Home Loans to provide consumer home and loan management counseling and education, to examine his or her federal rights, to assist with consumer document preparation and collection, to examine Client's credit situation, and to continually cooperate with all services performed on Client's matter, including providing mutual online access to Client's file and process supervision. The services and fees are set out herein and are billed on a monthly basis.

All state related matters related to Client's matter, if any, will be immediately forwarded, with Client's permission, to local counsel and will not be governed by the terms of this Agreement. American Home Loans is not acting as Client's attorney in any capacity. Client acknowledges and agrees that American Home Loans only provides consumer counseling, cooperates with, and educates Client with respect to various federal rights and protection identified under federal law, including the Equal Credit Opportunity Act (ECOA), Fair Credit Reporting Act (FCRA), Real Estate Settlement Procedures Act (RESPA) and the Truth In Lending Act (TILA), Making Home Affordable Program (MHA), Home Affordable Modification Program (HAMP), FHA-HAMP, Home Affordable Foreclosure Alternatives Program (HAFA), Home Affordable Refinance Program (HARP), Home Affordable Unemployment Program (UP), Second Lien Modification Program (2MP), Treasury/FHA Second Lien Program (FHA2LP), and other federally derived programs and laws. These services also include providing paperwork for Client's pro-se submission of any Qualified Written Request (completed by Client) pursuant to the TILA 15 U.S.C. § 1601, et seq., the Fair Debt Collection Practices Act (FDCPA) and RESPA, codified as Title 12 § 2605 (e)(1)(B) and Reg. X § 3500.21(f)2 of the United States Code. In accordance with state and federal law, American Home Loans does NOT perform the following services: foreclosure rescue and prevention services, loss mitigation services, foreclosure consultation, loan modification assistance, debt negotiation or adjustment, or other state related relief. All home loan assistance, if any will be directed to Consumer Link, Inc. ("Consumer Link"), a nonprofit corporation, an alternative competent mortgage assistance relief service, a HUD approved housing counseling agency, or local counsel, which shall not be governed by the terms of this Agreement unless stated otherwise. There is no charge for this service.

Client agrees American Home Loans may engage the service of, and release Client's financial and other confidential information to Consumer Link, local counsel, or a mortgage assistance relief service on behalf of Client as American Home Loans deems necessary unless directed otherwise by Client in writing. Client acknowledges and agrees that American Home Loans is an entirely separate entity from Consumer Link, Inc., HUD approved counseling agencies, and Client's local counsel. Client acknowledges and agrees that American Home Loans shall not be governed by any promises or guarantees made by any other entity, and any claim by Client related to any purported promises or guarantees shall be directed to such other entity and not American Home Loans.

Page 2 of 6
Consumer Advocacy Agreement

2. **Payment for Services.** Client agrees to pay American Home Loans on at least a monthly basis for services rendered. Client agrees to pay the total amount of \$3,900 in accordance with the fee schedule identified under "Payment Form." If Client continues using the services of American Home Loans beyond the fee schedule, Client agrees to pay the continuity amount of \$297 per month until such time American Home Loans's services are complete.

Borrower's Initials: REB

Co-Borrower's Initials: _____

10% Reduction of Principal Contingency Fee. If applicable under state law, Consumer Link, Inc. may at your discretion negotiate to reduce or discharge the secured debt including any second mortgage attached to your property. *Only if* Consumer Link, Inc. is successful and you agree to the lender's offer, you AGREE to pay a contingency fee to Consumer Link, Inc. or its assigns in the amount of 10% of the total debt forgiven as a result of the negotiation with respect to the property. This Debt Reduction Contingency Fee must be paid over a period not to exceed five years in equal monthly payments at 4% annual interest. Consumer Link, Inc. (and American Home Loans, LLC) makes no guarantee, instruction, or claim regarding the potential tax consequences of debt forgiveness.

Borrower's Initials: REB

Co-Borrower's Initials: _____

3. **Litigation and Attorney Fees Not Included.** Unless otherwise agreed to in writing and signed by the parties, American Home Loans will *not* be assisting, representing, or forming an attorney-client relationship with Client in any manner or capacity. Legal services shall NOT be covered by this Agreement and will be handled through local counsel only.
4. **Client's Obligations.** Client AGREES to the following:
- Client shall immediately notify American Home Loans or Consumer Link if Client receives telephone calls, e-mails or any other correspondence from his or her lender or lender's attorney(s).
 - Client shall provide both American Home Loans and Consumer Link with accurate and current financial information and financial history as requested by either entity and shall cooperate with ongoing requests and shall communicate any material change of circumstances to Client. Client agrees to submit the completed American Home Loans financial package within ten (10) days from the date of this Agreement (or such time frame agreed upon in writing between Client and American Home Loans).
 - Client shall make all payments as detailed above and on the document titled "Payment Form." Client acknowledges that any rejected or delayed payments will result in a fee payable to American Home Loans in the amount of \$25 for each NSF payment and a \$50 fee for payment rescheduling.
 - Client agrees that should Client use a credit card to pay for American Home Loans's services, CLIENT AGREES NOT TO CHARGEBACK THE CARD for any reason. In the event that Client breaches this provision and chargebacks his or her credit card, Client agrees that liquidated damages of \$250 shall be applied to Client's account in addition to all other remedies provided in this

Page 3 of 6

Consumer Advocacy Agreement

American Home Loans, LLC • 2825 E Cottonwood Pkwy • Suite 500 • Salt Lake City, UT 84121
Phone: (888) 980-7566 • Fax: (888) 334-7255 • www.americanhomeloans.com

Agreement and under law. This amount represents a reasonable estimate of the costs involved in disputing a chargeback with the credit card company.

5. **Withdrawal from Agreement.** American Home Loans reserves the right to IMMEDIATELY withdraw from assisting Client (which shall include Consumer Link for purposes of this paragraph) or place Client's file on hold if, among other things, Client fails to honor the terms of this Agreement, including non-payment or untimely payment to American Home Loans; failure to cooperate with or follow advice on a material matter, or if any fact or circumstance arises that would render continuing work unlawful or unethical. Upon withdrawal, American Home Loans shall be entitled to any and all fees earned to that point, including fees necessary to close Client's account, and shall return any and all unearned fees to Client.
6. **Confidentiality.** Client agrees to not disclose to third parties, other than Client's attorney(s) or financial advisor(s), any information obtained from American Home Loans, including the forms used in this transaction or other proprietary information obtained from American Home Loans in the course of receiving service from American Home Loans.
7. **Limitation of Liability (Fee Paid); Single Defendant.** Subject to the arbitration and small claims provisions below, and notwithstanding any other provision, Client AGREES that any and all claims for damages by Client against American Home Loans (which shall include for purposes of this paragraph Consumer Link and any other marketing or related entity) for any and all reasons whatsoever shall be strictly LIMITED only to the FEE paid by Client to American Home Loans pursuant to this Agreement and Client agrees to only name American Home Loans (and no other entity or other person) as the ONLY defendant. Notwithstanding any other provision, Client agrees to pay ALL attorney's fees by American Home Loans, Consumer Link, or other related entity/person incurred in enforcing the terms of this provision.
8. **Amendments.** This Agreement, including all Addendums, may not be superseded, amended or added to except by a separate agreement in writing, signed by the parties hereto, or their respective successors-in-interest.
9. **Indemnity.** So far as permitted under law, Client agrees to indemnify and hold American Home Loans (including Consumer Link and any other related entity or person) harmless from any and all liability, loss or expenses (including attorney's fees and costs) arising out of or relating to the real property identified herein, Client's lender arrangement, or the services provided by American Home Loans for Client pursuant to this Agreement.
10. **Interpretation/Applicable Law/Venue.** This Agreement is made in the State of Utah, and shall be construed pursuant to the laws of the State of Utah, without reference to any conflict of laws provisions and/or procedures which may otherwise apply. Subject to the small claims court and arbitration provisions below, the parties to this Agreement (including Consumer Link or other related entity) further agree that the venue for the resolution of any dispute between the parties arising out of this Agreement shall be proper only in Salt Lake County, Utah.
11. **Collection.** Notwithstanding any other provision of this Agreement, should Client fail in any manner to timely pay American Home Loans for its services as described in this Agreement and the document titled

Page 4 of 6
Consumer Advocacy Agreement

"Payment Form," Client AGREES to pay any and all attorney's fees and costs, incurred by American Home Loans or any other authorized collection entity in collecting the same. Client AGREES that American Home Loans or its authorized agent may use any and all personal, employment, financial, confidential, and other information supplied by Client to American Home Loans, including information obtained from Client's lender(s), financial institution(s), family, etc., in pursuing collection against Client.

12. **Partial Invalidity.** If any court of competent jurisdiction holds any sentence, term, or provision of this Agreement to be illegal or invalid, said sentence, term, or provision shall be deemed to be severed and deleted; such deletion shall not affect the validity of the remaining terms and provisions of this Agreement.
13. **Small Claims Court and Arbitration.** Excluding collection proceedings against Client as described above, any and all disputes between the parties, including claims against Consumer Link and any other marketing or related company, *shall* be resolved by submission to and litigation in the SMALL CLAIMS DIVISION OF THE SALT LAKE COUNTY JUSTICE COURT OF UTAH. If for any reason the dispute is not within the jurisdiction of the Small Claims division of the American Home Loans, then the dispute *shall* be resolved by *binding* arbitration in SALT LAKE COUNTY, UTAH, without appeal, and any award rendered thereunder may be entered in any court of competent jurisdiction. Excluding collection proceedings against Client as described above, the prevailing party shall NOT be awarded attorney's fees and costs.

CLIENT AGREES THAT THESE ARBITRATION TERMS SHALL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (CODIFIED AT 9 U.S.C. § 1 ET SEQ.), WHICH PROVIDES FOR JUDICIAL FACILITATION OF PRIVATE DISPUTE RESOLUTION THROUGH ARBITRATION, AND AMERICAN HOME LOANS (AND OTHER ENTITIES) AND CLIENT CAN PURSUE ALL REMEDIES AVAILABLE UNDER THE FEDERAL ARBITRATION ACT IN COMPELLING ARBITRATION.

14. **Entire Agreement.** This Agreement and any follow-on addendums, including Addendum A, constitute the entire agreement between the parties relating to the transactions contemplated hereby and all other prior or contemporaneous agreements, promises, claims, understandings, representations and statements, oral or written, are merged into this Agreement.

Phases and Estimated Value of Services

Phase 1- Preliminary Review; File Underwriting

Initial adviser consultation and review. Preliminary federal review of the file. Underwriting of the file based on financial ratios for conformity to federal and/or lender specific guidelines and known policies and tolerances. Review and analysis of possible federal predatory lending issues and review of forensic examination if applicable. Borrower financial review including review and submission of Borrower's credit report if available. Submission of Borrower's documentation and information to a Mortgage Assistance Relief Service (e.g., Consumer Link, a nonprofit corporation, HUD Approved Housing Counseling Agencies, and/or local counsel) for submittal and/or escalation. Creation of online file for Borrower access to all documentation and review of all actions taken on behalf of Borrower.

Page 5 of 6
Consumer Advocacy Agreement

Phase 2 – Application and Processing Assistance

If necessary, providing paperwork for submission of Borrower's cease and desist letter by Borrower, Borrower's Authorization letter, and if applicable, RESPA & TILA letters. Preparation and submittal of package to a Mortgage Assistance Relief Service or nonprofit entity based on federal and/or lender specific guidelines, including analysis and compilation of income verification (e.g. profit and loss statements), expenses, etc. Review by Consumer Link for federal eligibility and compliance. Review for alternative federal options. Cooperation with Mortgage Assistance Relief Service, nonprofit entity, and/or local counsel for processing of Borrower's application.

Phase 3 – Verification and Supplemental Submissions

Secure confirmation that the package has been received and is in active review. Preparation and submittal of other necessary documents as needed including a Qualified Written Request pursuant to federal guidelines. Develop dialogue with Borrower and lender to ensure that loss mitigation process continues unabated with Mortgage Assistance Relief Service. Review of Mortgage Assistance Relief Service's preparation and submittal of supplemental or additional modification packages and income verification as required by the lender.

Phase 4 – Review and Analysis

Review and analysis of the documentation provided through Qualified Written Request submitted for Borrower. Collecting and submitting additional or updated information. Notes review and file supervision and maintenance. Follow-up on all lender correspondences.

Borrower's Initials:

REB

Co-Borrower's Initials:

Page 6 of 6

Consumer Advocacy Agreement

American Home Loans, LLC • 2825 E Cottonwood Pkwy • Suite 500 • Salt Lake City, UT 84121
Phone: (888) 980-7566 • Fax: (888) 334-7255 • www.americanhomeloans.com

EXHIBIT 14

Emails re: minimum payment from consumer
(January-February, 2017)

EXHIBIT 14

1/21/2018

Consumer Defense, LLC Mail - Question



Sandra Hanley <sximenah@consumerdefense.com>

Question

2 messages

Sandra Hanley <sximenah@consumerdefense.com>
 To: Bobbi Collins <bcollins@consumerdefense.com>

Mon, Jan 30, 2017 at 2:19 PM

Bobbi

Do the processors double check payment status before submitting packets to lenders?

If so, what are the expectations

do we have a minimum amount of payments that we expect the client to have made before submitting?

Bobbi Collins <bcollins@consumerdefense.com>
 To: Sandra Hanley <sximenah@consumerdefense.com>

Mon, Jan 30, 2017 at 2:21 PM

Yes each and everyone

Jon has advised two payments or as close to 1500.00

Thanks

Bobbi Collins
Manager



Consumer Defense
Consumer Link
AHLC

Phone: 801.386.5100 Ext 203

FAX 888.224.6524

Billing Department Ext 235

Hours of operation Monday-Friday 8:30 - 3:00 (MST)

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[Quoted text hidden]

1/21/2018

Consumer Defense, LLC Mail - Russell maywood



Sandra Hanley <sximenah@consumerdefense.com>

Russell maywood

3 messages

Rod Kartchner <rkartchner@consumerdefense.com>

Fri, Feb 10, 2017 at 4:19 PM

To: Bobbi Collins <manager@consumerdefense.com>, Sandra Hanley <sximenah@consumerdefense.com>

He is claiming that he has been trying to get a hold of his rep for a couple of days and that no one is getting back to him

Thank You,

Rod Kartchner

Senior Modification Adviser

Consumer Defense

888-980-7497 Direct Toll Free

Sandra Hanley <sximenah@consumerdefense.com>

Fri, Feb 10, 2017 at 4:26 PM

To: Rod Kartchner <rkartchner@consumerdefense.com>

Cc: Bobbi Collins <manager@consumerdefense.com>

Rod

Thank you for letting us know, I will note the system.

Couldn't help but notice that Russell just came on board and he's already squawking?!

As per Loan Post, he talked to his Processor two days ago. Our office is very very busy, so please let your clients know we will be in touch, but they have to leave a message and ideally an email and they will be contacted.

Thank you.

[Quoted text hidden]

Sandra Hanley <sximenah@consumerdefense.com>

Fri, Feb 10, 2017 at 4:29 PM

To: Rod Kartchner <rkartchner@consumerdefense.com>

Rod,

If he's been in the system since DEC 30th, why was his first payment 1/24th?

Its not helping when clients are not schedule to pay for along time, because they start to get anxious that not much is happening.

However their payment plan is directly related to how quickly we can move through the various phases of the process.

I suggest you reach out to him if he's wanting to be expedited.

AS I mentioned before, 2500 is the minimum requirement for submission.

Thank you

[Quoted text hidden]

EXHIBIT 14

Page 101

EXHIBIT 15

Email re: additional payment required
(February 10, 2017)

EXHIBIT 15



Sandra Hanley <sximenah@consumerdefense.com>

File Updated for [REDACTED] Hudson

Office Manager <manager@consumerdefense.com>

Fri, Feb 10, 2017 at 10:26 AM

To: Sandra Hanley <sximenah@consumerdefense.com>, Sue Chowhan <schowhan@consumerdefense.com>, Jonathan Hanley <jhanley@consumerdefense.com>, Alli Parkinson <aparkinson@consumerdefense.com>

Sue,

Per Sandra now that B [REDACTED] has a sale date we will not charge a crisis fee. But Sandra is wanting a minimum of \$2500.00 in order to submit him to the lender sale date is 3.14.17 He has paid one payment of \$975.00

PLEASE CONTACT B [REDACTED] ABOUT THE 1525.00 NEEDED TO SUBMIT HIS FILE.

[Quoted text hidden]

--

**Bobbi
Manager****Consumer Link**[Phone: 801.386.5100 Ext 203](tel:801.386.5100)[FAX 888.224.6524](tel:888.224.6524)[Billing Department Ext 235](#)[Hours of operation Monday-Friday 8:30 - 3:45 \(MST\)](#)

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EXHIBIT 16

Email exchange re: extended payment schedule
(February 7-8, 2017)

EXHIBIT 16



Rod Kartchner <rkartchner@consumerdefense.com>

update for Sandra -- Re: I think that we are good to go with this new client.....Re: Attn: Sandra - PF and new client packet for Z [REDACTED] Johnson

2 messages

Rod Kartchner <rkartchner@consumerdefense.com>
To: Sandra Hanley <sximenah@consumerdefense.com>

Wed, Feb 8, 2017 at 11:55 AM

Sandra,

Thanks for getting this approved. I would not even have come to you except that this deal was done prior to any announcement of a new policy.

However, I just got off of the phone with Z [REDACTED], and she has agreed to tighten belt and live on rice and beans so that she can cover the \$650 / month plan instead of the 8 month plan.

I am sending her a new payment schedule this afternoon.

Thanks again!!!!

Rod

On Wed, Feb 8, 2017 at 10:43 AM, Sandra Hanley <sximenah@consumerdefense.com> wrote:
Please let the client know that you had to get special approval because payments are so low!!!!

On Feb 8, 2017, at 9:48 AM, Rod Kartchner <rkartchner@consumerdefense.com> wrote:

Hi Sandra, thanks for working on this with me.

Z [REDACTED] is only 3 months behind and her DTI looks just fine. I think that she can go the four months just fine. What you are saying about collecting \$2,000 first makes perfect sense to me.

I also think that it is urgent that processing get a hold of her today, as I told her that they contact new clients within 48 hours -- this file was submitted on Monday the 6th.

Please advise.

Thanks, Rod

On Wed, Feb 8, 2017 at 8:17 AM, Sandra Hanley <sximenah@consumerdefense.com> wrote:
Bottomline is this

If you can get the client to understand that the process will take about 6 months and you feel like they would be relaxed, then I would be ok bringing this client on board.

But if the client is going to be wondering what we are doing for 4 months until we collect 2000 minimum, then we are setting ourselves up for a headache.

What do you think?

On Tue, Feb 7, 2017 at 11:52 AM, Rod Kartchner <rkartchner@consumerdefense.com> wrote:
Hi Sandra,

I am forwarding to you the entire package for this new client so that you can see for yourself that the intake and the payment form and everything took place prior to the February 2nd Email that we got from Devin announcing this new policy.

Thank you for all that you are doing.

Hopefully someone will be contacting [REDACTED] Johnson today.

Thank You,

Rod Kartchner

Senior Modification Advisor

888-980-7497 Direct Toll Free

888-334-7255 Fax Number

Link to references from homeowners with completed federal home loan modifications: <http://www.attorneyloanmodifications.com/success-stories/>

--

Thank You,

Rod Kartchner

Senior Modification Advisor

888-980-7497 Direct Toll Free

888-334-7255 Fax Number

Link to references from homeowners with completed federal home loan modifications: <http://www.attorneyloanmodifications.com/success-stories/>

--

Thank You,

Rod Kartchner

Senior Modification Advisor

888-980-7497 Direct Toll Free

888-334-7255 Fax Number

Link to references from homeowners with completed federal home loan modifications: <http://www.attorneyloanmodifications.com/success-stories/>

Sandra Hanley <sximenah@consumerdefense.com>
To: Rod Kartchner <rkartchner@consumerdefense.com>

Wed, Feb 8, 2017 at 11:59 AM

Excellent news, I think everyone will be relieved. Thank you!!
One down

Sent from my iPad

[Quoted text hidden]

EXHIBIT 17

Email exchange encouraging shortest payment schedules
as possible (February 6-8, 2017)

EXHIBIT 17



Rod Kartchner <rkartchner@consumerdefense.com>

Our next move.....Re: Question.....Re: update

2 messages

Rod Kartchner <rkartchner@consumerdefense.com>

Wed, Feb 8, 2017 at 11:49 AM

To: Sandra Hanley <sximenah@consumerdefense.com>

Thanks Sandra,

You are right. Both Jon and I missed this one, as we were not taking into consideration how late he was and how deep of trouble that he already was on the second when we reviewed this together.

What I am hearing you say is that this guy may need to file a BK because he is so far gone on the second that we can't help him?

On Wed, Feb 8, 2017 at 12:46 PM, Sandra Hanley <sximenah@consumerdefense.com> wrote:

Rod

Thank you for getting back to me. There is nothing wrong with bringing on board a 2nd mortgage deal. But if the client needs to be submitted rather quickly then you need to take that into consideration when structuring their payments to us. Only you can correct this problem.

The client needs to be submitted relatively soon, but the way you have structured his payments is setting us up for failure.

Please figure something out and keep us posted.

Thank you

Sandra

On Wed, Feb 8, 2017 at 12:43 PM, Rod Kartchner <rkartchner@consumerdefense.com> wrote:

Dear Sandra, I can see where you are coming from, but you need to realize that I have done 2nd mortgage only deals for the last five years EXACTLY the way Jon has asked me to.

Furthermore, Jon himself reviewed this file and pre-authorized this second mortgage only deal before I even turned it in to processing.

Additionally, a factor that Jon taught us to take into consideration is the size of the payment that it is replacing, which means that you absolutely cannot and must not just focus on the gross income of the entire family. We ALWAYS take into account the amount of the payment that is being replaced. For example, if someone's monthly payment that they are unable to make is \$700 / month, but now I am supposed to charge them

\$975, when they already can't cover the \$700? No, we put them into a \$650, because it is the very most that they can possible afford.

Jon has also told me on several occasions that I am better at getting the most money out of clients than any of the other advisers, meaning that on average I get better payment schedules than the others.

I consistently set the very highest payment schedule that I can possible get out of homeowners for my own benefit and for everyone else's benefit.

Does this all make sense?

On Wed, Feb 8, 2017 at 10:42 AM, Sandra Hanley <sximenah@consumerdefense.com> wrote:
Why in the world are the payments \$500 p month when the guy makes \$7000 per month

Are u aware of the disservice you are doing to the client and the business itself??????

On Feb 8, 2017, at 9:53 AM, Rod Kartchner <rkartchner@consumerdefense.com> wrote:

Hi Sandra,

Because of the circumstances, we are only doing a mod on his 2nd mortgage only.

I always get these pre-approved by Jon, so we are good to go.

Thanks for your inquiry.

On Wed, Feb 8, 2017 at 8:04 AM, Sandra Hanley <sximenah@consumerdefense.com> wrote:
Rod

I just noticed that we are only charging him a total of \$2000, was there a reason for that?

(He makes 7000 p month)

he is set up on 500 p month payments

You are setting us up for having to drag our feet on this deal, and clearly clients never like that.

Please help me understand your logic

S

On Tue, Feb 7, 2017 at 6:13 PM, Rod Kartchner <rkartchner@consumerdefense.com> wrote:
I spoke to him this evening.

He was just doubting if the process was really going to work or not.

I assured him that he needed to allow Consumer Link and Consumer Defense to finish doing their job and to have some faith.

This is my report

Rod

On Mon, Feb 6, 2017 at 6:14 PM, Sandra Hanley <sximenah@consumerdefense.com> wrote:
Rod

Thank you for letting us know. I have noted they system and emailed the processor. Will keep you posted.

On Mon, Feb 6, 2017 at 4:19 PM, Rod Kartchner <rkartchner@consumerdefense.com> wrote:

Not sure what his issues are, but there was a message on my machine requesting that some questions be answered.

--

Thank You,

Rod Kartchner

Senior Modification Advisor

--

Thank You,

Rod Kartchner

Senior Modification Advisor

888-980-7497 Direct Toll Free

888-334-7255 Fax Number

Link to references from homeowners with completed federal home loan modifications: <http://www.attorneyloanmodifications.com/success-stories/>

--

Thank You,

Rod Kartchner

Senior Modification Advisor

888-980-7497 Direct Toll Free

888-334-7255 Fax Number

Link to references from homeowners with completed federal home loan modifications: <http://www.attorneyloanmodifications.com/success-stories/>

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Thank You,

Rod Kartchner

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Thank You,

Rod Kartchner

Senior Modification Advisor

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Link to references from homeowners with completed federal home loan modifications: <http://www.attorneyloanmodifications.com/success-stories/>

Sandra Hanley <sximenah@consumerdefense.com>
To: Rod Kartchner <rkartchner@consumerdefense.com>

Wed, Feb 8, 2017 at 11:52 AM

Rod

Thanks for your prompt reply. That's not my understanding. I will double check with Shannon.

[Quoted text hidden]

EXHIBIT 18

Memo re: important notes and email
re: consumer advocacy group

EXHIBIT 18

Important notes regarding client calls.

Let me know if **ANY** other questions come up that you feel are an area of concern for you. It costs me about **\$1,500** in marketing costs to generate **EACH** new client file and this is **BEFORE** I pay any wages, costs etc... I want the below comments repeated to the client **WORD FOR WORD** if and when they come up.

RE: Making payments payment's to the bank.

We need to advise the client's that it is almost always a requirement for loan modification approval that the borrower is more than 60 days past due. Your bank will not work with you if you are making payments. They will **NOT** lower your payment where it needs to be.

RE: The guarantee letter from Consumer Defense

Advise the client that the most important part of the process is the qualification by Consumer Defense to make sure that you are qualified. Please make sure that they are further reminded that this is a collaborative process and they need to send documents and lender correspondence in a timely manner. It is always in your best interest as well as your banks to avoid foreclosure. The last thing your bank wants to do is repossess your home and then have you removed from the property. Obviously this is contingent upon you being in a situation where you have a new mortgage payment that is manageable for you.

RE: The Cease and Desist and what it does

"We send the C&D for 2 VERY important reasons. The first is so that your bank stops bothering you and you can rest easy while we resolve this for you. I'm sure you'll be very relieved once the collection phone call's stop coming in the middle of the night. Secondly, your bank is now aware that we are now involved on your behalf and they further note their records that you are now represented by a 3rd party advocate. This forces them to play by the rules and further guarantees that ALL communication and correspondence will go through us.

Conclusion of calls:

I would hope that about 80% calls end with a satisfied client who is excited to move forward – but I'm aware and prepared that maybe 20% of new client calls (first and 2nd calls) may not be perfectly resolved. Then on those I want you to state "My job is to act as your dedicated negotiator to modify the terms with your bank to a manageable payment and get you caught up but; let me send a message to (Rod, KT etc...) and they can go back over some of the specifics with you.



Jonathan Hanley <jhanley@americanhomeloans.com>

Traffic

5 messages

Jonathan Hanley <jhanley@americanhomeloans.com> Thu, May 4, 2017 at 12:42 PM
To: Sue Chowhan <schowhan@americanhomeloans.com>, Rod Kartchner <rkartchner@americanhomeloans.com>, Paul Cysewski <pcysewski@americanhomeloans.com>, Deanne Mosher <dmosher@americanhomeloans.com>, Mortgage Relief Adviser <vversluis@americanhomeloans.com>

Hey guys got the traffic pumped up here should filter through in about an hour.

Just make sure you do a real strong qualification on every single call and please please please remember to handle the first 20 seconds of each call properly.

If prospect asks if this is Ocwen, Chase, B of A et . Cetera DO NOT SAY NO!!!! State that we are a consumer advocacy group that handles for Filmin on all different types of loan modification programs.

Sue Chowhan <schowhan@americanhomeloans.com> Thu, May 4, 2017 at 12:46 PM
To: Jonathan Hanley <jhanley@americanhomeloans.com>

Got it and THANKS!

[Quoted text hidden]

Mortgage Relief Adviser <vversluis@americanhomeloans.com> Thu, May 4, 2017 at 12:49 PM
To: Jonathan Hanley <jhanley@americanhomeloans.com>
Cc: Sue Chowhan <schowhan@americanhomeloans.com>, Rod Kartchner <rkartchner@americanhomeloans.com>, Paul Cysewski <pcysewski@americanhomeloans.com>, Deanne Mosher <dmosher@americanhomeloans.com>

Sounds Good!

All the best,

Vanessa Versluis
American Home Loans
Mortgage Relief Adviser
888-980-9598 DIRECT
888.334.7255 FAX
americanhomeloans.com
Available hours: Monday-Friday 9:00am-5:00pm (MST)

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[Quoted text hidden]

Deanne Mosher <dmosher@americanhomeloans.com> Thu, May 4, 2017 at 12:50 PM
To: Jonathan Hanley <jhanley@americanhomeloans.com>
Cc: Sue Chowhan <schowhan@americanhomeloans.com>, Rod Kartchner <rkartchner@americanhomeloans.com>, Paul Cysewski <pcysewski@americanhomeloans.com>, Mortgage Relief Adviser <vversluis@americanhomeloans.com>

Got it, Thanks

Thank you,
Deanne Mosher
Senior Modification Adviser
Consumer Defense Group/American Home Loans
888-980-7203
888.334.7255 FAX
americanhomeloans.com

EXHIBIT 18
Page 112

Available hours: Monday-Friday 9:00 am-5:00 pm (MST)



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On Thu, May 4, 2017 at 1:42 PM, Jonathan Hanley <jhanley@americanhomeloans.com> wrote:

[Quoted text hidden]

Rod Kartchner <rkartchner@americanhomeloans.com>
To: Jonathan Hanley <jhanley@americanhomeloans.com>

Thu, May 4, 2017 at 2:39 PM

gotcha

thanks

On Thu, May 4, 2017 at 1:42 PM, Jonathan Hanley <jhanley@americanhomeloans.com> wrote:

[Quoted text hidden]

--
Thank you,

Rod Kartchner
Consumer Defense Group
Mortgage Relief Counselor
(888) 980-7497 Direct Line
(888) 334-7255 Fax
rkartchner@americanhomeloans.com
<http://attorneyloanmodifications.com/success-stories/>



EXHIBIT 19

Email re: handling client refunds
(February 15, 2017)

EXHIBIT 19

1/22/2018

Consumer Defense, LLC Mail - Re: File Updated for John Kearley IV



Jonathan Hanley <jhanley@consumerdefense.com>

Re: File Updated for John Kearley IV

1 message

Office Manager <manager@consumerdefense.com>

Wed, Feb 15, 2017 at 11:25 AM

To: Sandra Hanley <sximenah@consumerdefense.com>, Jonathan Hanley <jhanley@consumerdefense.com>

has the client called in? I typically do all refunds through email closed this over a month ago and have not heard from anyone. I typically wait to do anything on refunds until they call in two times. I am happy to forward refund forms but have not rec'd an email or vm. Just making sure we are on the same page.

let me know I will do whatever you prefer

EXHIBIT 19

Page 114

EXHIBIT 20

Emails re: consumers requesting refunds

EXHIBIT 20

1/22/2018

Consumer Defense, LLC Mail - Request for refund



Sue Chowhan <schowhan@consumerdefense.com>

Request for refund

8 messages

Dawn Walker <DWalker@gjha.org>

Thu, Feb 9, 2017 at 11:08 AM

To: "schowhan@consumerdefense.com" <schowhan@consumerdefense.com>, "aparkinson@consumerdefense.com" <aparkinson@consumerdefense.com>

Cc: [REDACTED]@hotmail.com" <[REDACTED]@hotmail.com>

Hello Sue,

I am a Certified HUD Counselor. Today E [REDACTED] Lyons and her daughter C [REDACTED] came to my office for a counseling session. I came to my attention that you have set E [REDACTED] up on a payment plan for services for a modification request. I am requesting that you refund the payment that has already been made in the amount of 650.00 and cease from taking any more money from her account. I am asking you to do this for three reasons.

1. It is **illegal** in the state of Colorado to request payments prior to services rendered for modification assistance. Payment for modification services can only be requested after the modification has been submitted and a decision made.
2. E [REDACTED] loan does not qualify for a modification because the investor does not participate in modification practices.
3. No company can issue any guarantees on any modification requests as they have no control over what the investor will decide. The investor is the only deciding entity.

Please refund any and all money to E [REDACTED]

If you wish to visit with me about this, please feel free to contact me. I would be happy to send you any and all Colorado legal information regarding modification services.

Dawn Walker

Lead Housing Counselor

Grand Junction Housing Authority

8 Foresight Circle

Grand Junction CO 81505

970-208-9525

Fax 970-254-8347

dwalker@gjha.org

Office Manager <manager@consumerdefense.com>

Thu, Feb 9, 2017 at 11:18 AM

To: Sue Chowhan <schowhan@consumerdefense.com>, Jonathan Hanley <jhanley@consumerdefense.com>

Sue,

do not respond on this if you do please please please be careful!

EXHIBIT 20
Page 115

1/22/2018

Consumer Defense, LLC Mail - Request for refund

----- Forwarded message -----

From: **Alli Parkinson** <aparkinson@consumerdefense.com>

Date: Thu, Feb 9, 2017 at 12:09 PM

Subject: Fwd: Request for refund

To: Office Manager <manager@consumerdefense.com>, Audit Department <auditdepartment@consumerdefense.com>

[Quoted text hidden]

--
--Thanks

Alli Parkinson
Billing
Consumer Defense & AHLC
801-938-8066
Hours of operation Monday-Friday 8:00-4:00 (MST)



Consumer Defense

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--
**Bobbi
Manager**



Consumer Link

Phone: 801.386.5100 Ext 203
FAX 888.224.6524
Billing Department Ext 235
Hours of operation Monday-Friday 8:30 - 3:45 (MST)

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Sue Chowhan <schowhan@consumerdefense.com>
To: Jonathan Hanley <jhanley@consumerdefense.com>

Thu, Feb 9, 2017 at 11:26 AM

This is what I was about to send before I saw your email:

Dawn,

If you refer to Page One of the Consumer Advocacy Agreement it states in writing that there are NO fees for the modification services that E[REDACTED] is receiving.

EXHIBIT 20
Page 116

1/22/2018

Consumer Defense, LLC Mail - Request for refund

The fees being assessed are for services NOT covered by the government and itemized on pages 5 and 6 of the same agreement.

As for the Guarantee, with all due respect, it is highly reasonable for the agency to look at their experience negotiating with Nationstar to predict future results. They have secured literally hundreds of modifications for homeowners who were turned down by Nationstar citing the same reason or a similar reason for denial.

One case I remember in particular was with a couple in CA who had been with Aurora, had received a modification from them and upon the transfer of their loan to Nationstar, was denied the modification. They went to mediation and despite the mediators decision that Nationstar honor the modification from Aurora Nationstar still refused. They then spent over \$10,000 over a 3 year period of time on attorneys who could only keep the home from being sold. When they found our partnership we took over and got the modification approved with pretty much the same terms and conditions as they had been offered by Aurora.

So again, with all due respect, please do not tell me what the agency can or cannot do.

Sue Chowhan

Sue Chowhan
[Quoted text hidden]

Thank you,
Sue Chowhan
Senior Modification Advisor
Consumer Defense Group
888-980-7487
888-334-7255 Fax Number

<http://attorneyloanmodifications.com/>

Sue Chowhan <schowhan@consumerdefense.com>
To: Office Manager <manager@consumerdefense.com>

Thu, Feb 9, 2017 at 11:28 AM

Oops sent the draft to Jon instead of you:)
[Quoted text hidden]

Office Manager <manager@consumerdefense.com>
To: Sue Chowhan <schowhan@consumerdefense.com>

Thu, Feb 9, 2017 at 11:41 AM

please wait to respond it may be best to let it be or they will refer us to the AG office
[Quoted text hidden]

--
Bobbi
Manager



Consumer Link

Phone: 801.386.5100 Ext 203
FAX 888.224.6524
Billing Department Ext 235

EXHIBIT 20
Page 117

1/22/2018

Consumer Defense, LLC Mail - Request for refund

Hours of operation Monday-Friday 8:30 - 3:45 (MST)

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Office Manager <manager@consumerdefense.com>
To: Sue Chowhan <schowhan@consumerdefense.com>

Thu, Feb 9, 2017 at 11:42 AM

lets not do anything until we get the okay from JH
[Quoted text hidden]

Sue Chowhan <schowhan@consumerdefense.com>
To: Office Manager <manager@consumerdefense.com>

Thu, Feb 9, 2017 at 11:42 AM

Got it:)

On Thu, Feb 9, 2017 at 12:41 PM, Office Manager <manager@consumerdefense.com> wrote:
[Quoted text hidden]
[Quoted text hidden]

Sue Chowhan <schowhan@consumerdefense.com>
To: Office Manager <manager@consumerdefense.com>

Thu, Feb 9, 2017 at 11:43 AM

So noted:)
[Quoted text hidden]



Jonathan Hanley <jhanley@consumerdefense.com>

Can we do anything about this, please read email and let me know

1 message

Sandra Hanley <sximenah@consumerdefense.com>
To: Jonathan Hanley <jhanley@consumerdefense.com>

Wed, Feb 1, 2017 at 11:04 AM

Shay received this email from the client.

S [REDACTED]
3:37 PM (18 hours ago)

to me

Hello S [REDACTED]

I'm sorry to bother you again, but I got some concern a couple of my friends and families members told me that this modification that I'm doing with you guys are a scam. This is what I found on the internet. Please get back to me as so as possible. To assure me that everything is ok.

On September 19, 2014, I entered into an agreement with a company called "Preferred Law Team" a women Wendy Kartchner who represented herself as a Senior Modification Advisor. I completed pages and pages of forms in which I sent to her and gave her my credit/debit card to process a deposit to begin the mortgage modification process.

Preferred Law Team withdrew 4 payment each in the amount of \$974.00 from my account, Oct 9, Nov 9, Dec 9, 2014 and then January 9, 2015. On February 6, I received another letter for additional funds in the amount of \$274.00 for them to continue working on my account and unless it was paid they would need to stop. Becoming suspicious, I then called my bank Wells Fargo and spoke to the same person Brianna in lost mitigation who advised me my loan was closed because they filed an insurance claim with FHA on 1/8/2015 and received payment on 1/15/2015. Brianna also advised me that noone from Preferred Law Team was in contact with them and without my letter of authorization or a conference call they would not be able to release any information. I then called the FHA/HUD to confirm this and found that indeed FHA paid the insurance claim in which I was provided all the specifics amounts etc. I then called 601 Gov. Hud Depart in Washington to reconfirm and get the information on next step. On February 15, 2015 I received the official letter from Wells Fargo and the new mortgage company whom I am working with and have made payment on my new mortgage.

I have called "PREFERRED LAW TEAM for a refund, and completed the "refund request form" they sent me for the review of their audit team. I never got an answer from them until May in which they refused a refund. I called the women who set up this file and after discussing this with her for her review. She has not called me back to date.

Today, I received a call from a person on this phone number: 801-913-5504 who said he represents Preferred Law Team. He told me he had all the copies of the emails I sent and requested me to send him copies of all the forms I completed and sent to them. I told him I was done with Preferred Law Team, I was not sending him another email and that I have official filed complaints with the FCC, UTAH BAR, Consumer Protection Agency etc..... He then started screaming at me calling me a F_____ Liar and F----- Dead Beat.... I advised to never call me again and that I was now filing a complaint for my refund and harassment!

Here are the names and the contacts of parties involved in this company. There are 20 complaints on RIPOFFREPORTS

and tonight I just found a link with your website and various complaints. I am a single person head of household and cannot afford to lose this money. Please stop these people and get my money back.

consumer.ftc.gov/blog/six-things-you-can-do-avoid-mortgage-mis-modification

Bobbi Collins

Manager

American Home Loan Counselors

8180 S 700 E #110

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1/19/2018

Consumer Defense, LLC Mail - Can we do anything about this, please read email and let me know

Sandy UT 84070

801.386.5100 EXT 203

Wendi Kartchner
Senior Modification Advisor
888-980-7487
888-334-7255 Fax Number

Sent from my iPhone

1/23/2018

Preferred Law Mail - Reference refund offer we still have not received



Jonathan Hanley <jhanley@preferredlawteam.com>

Reference refund offer we still have not received

3 messages

[REDACTED]@live.com>

Mon, Jun 20, 2016 at 12:46 PM

To: Jonathan Hanley <jhanley@preferredlawteam.com>

Johnathan Hanley,

I have sent you 2 emails since your email indicating you were sending a refund offer for us to review.
I have not received a response to either one.

I have left voice message for you at your office.
No response from you to any of the messages.

You refund offer was in email from you dated June 10, 2016.
We have still not received anything by email or mail.

Please refer to the attached document as our response to your non-responsiveness.

Sincerely,

[REDACTED] Barber



Johnathan Hanley - 06-20-2016.pdf

482K

Jonathan Hanley <jhanley@preferredlawteam.com>

Wed, Jun 22, 2016 at 1:11 PM

To: [REDACTED]@live.com>

Hi D [REDACTED]

I'm still not clear as to what your grievance is. You got a really good offer that you accepted and that you are performing on -- or at least as per our last update with you lender prior to removing the borrowers authorization.

Can you please shed some light on this. We have had thousands of clients and I've just never encountered a situation like this.

thanks.

[Quoted text hidden]

--

Very truly yours,

Jonathan Hanley
General Manager

801-386-5100 x230 9am - 5pm M-F MST
888-980-7751
888-224-6524 Fax Number
<http://www.preferredlawteam.com>

[REDACTED]@live.com>

Wed, Jun 22, 2016 at 6:28 PM

To: Jonathan Hanley <jhanley@preferredlawteam.com>

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1/23/2018

Preferred Law Mail - Reference refund offer we still have not received

Jonathan Hanley,

I'm not clear as to why you don't have access to the offer submitted to our lender by Preferred Law. If you review that offer you will find many costly errors.

If you had spoken to our lender, as you state, you would know the **correct** state of our situation.

I don't know what else to tell you, except that I am not going to provide you with information you should have access to.

Sincerely,



Barber

From: jhanley@preferredlawteam.com

Date: Wed, 22 Jun 2016 14:11:04 -0600

Subject: Re: Reference refund offer we still have not received

To: [REDACTED]@live.com

[Quoted text hidden]

Barber

Refund Request

1

June 20, 2016

Johnathan Hanley
Benjamin Horton
Preferred Law, PLLC

Reference: Refund Request

Johnathan Hanley,

As of today at 11:55, we still have not received correspondence of any kind reference your email dated June 10, 2016, which you stated you would be sending a refund offer for us to look over.

This is the second time I have inquired about this, the first time I received no answer from you. I also have not received any return phone calls from my messages left for you at your office.

You requested a conference call with us, which you scheduled and rescheduled twice. The last time you rescheduled you mentioned that there was so much paperwork to go through. If you knew you were going to schedule a conference call with us, I would think you would have reviewed the paperwork and been ready for the conference call prior to scheduling.

On both occasions we set aside time to be available to speak with you only to have you cancel on us. This is just another example of the unprofessional business operations by Preferred Law.

The last email correspondence we had you wanted to know if we accepted or declined the loan modification your office submitted to Bank of America. I declined to give you that information, and we have not heard from you since or received any paperwork you said you were sending, and you will not answer my emails, or phone messages.

My conclusion is that you were phishing for information and never intended to carry through with a conference call or offer of a refund. This is exactly the kind of service we received from your office during the entire time you were on retainer with us.

You have had plenty of time to go through all the paperwork on our file. The information you are looking for was one of the last documents your office submitted to Bank of America.

Mr. Horton responded, in writing, to several concerns I had about the information in that loan modification, and you should be able to find your answer there.

Barber

Refund Request

2

We terminated your services after review of the above mentioned loan modification as well as Mr. Horton's response, we felt was very inappropriate.

- On January 30, 2015, we submitted *Your Audit Request Form*, along with documentation supporting our request for a refund, as well as a copy of all our bank statements for the total amount we had paid your office.
- February 4, 2015, after not hearing from anyone in your office, I sent an email requesting to know if you had received the above information.
 - The email received back from your office indicated you had received the refund request and anticipated an answer no later than March 6, 2015.
- There was no decision that came on or before March 6, 2015. In addition, I again had to send a request inquiring why we had not heard anything from your office.

This has gone on for well over a year now, and still no refund, and no answers to my emails or phone calls reference this last incident with the requested conference call on behalf on Johnathan Haney, audit department, Preferred Law.

In my opinion Preferred Law is the most unprofessional and deceitful law firm I have ever done business with. With all my documentation on the services Preferred Law took credit for, however did not complete on our behalf, is substantial enough to support our request for the refund we are requesting, for services not provided as promised.

Since we have yet to receive the offer Preferred Law indicated was being sent on June 10, 2016, with no answers to my emails or phone calls, this is my offer to Preferred Law:

1. Total amount paid to Preferred Law is as follows,

a. June 15, 2012 - Upfront payment in the amount of	\$3900.
b. Jan. 21, 2013 to Jan 26, 2015 monthly payments of \$297.00	<u>7128.</u>
c. Total amount paid to Preferred Law	\$11,028.

Taking into consideration the information listed below, we are requesting a ***refund of \$10,000.***

- a. **services not performed as specified**
- d. **incomplete or wrong information in loan modification(s) submitted to Bank of America on our behalf**
- e. **conflicting information received from Preferred Law Personnel as to if/when documents *were* submitted to Bank of America**
- f. **unreturned phone calls, unanswered emails, many changes in personnel assigned to our account.**
 - i. **Each time our file was reassigned, we would be asked to resubmit information already submitted prior, due to whoever was reassigned to our file being unable to find/access information submitted previously, and having no idea what was going on with our account.**

2

[REDACTED] Barber

Refund Request

3

- g. **documented proof our file remained in an inactive state for months, on several occasions.**
- h. **failure to complete "*Guarantees*" stated in Preferred Law's original contract agreement**

All of the above mentioned information, previously sent to Preferred Law, we still retain in the form of email correspondence, written documentation, phone calls documented verbatim on call logs, as well as other unfavorable information pertaining to our account while Preferred Law was on retainer with us.

Should you have any questions you are welcome to contact me by any of the information below.

Sincerely,

[REDACTED] Barber

[REDACTED] Barber

06/20/2016

[REDACTED]
Ravensdale, WA 98051

[REDACTED]@live.com

1/23/2018

Consumer Defense, LLC Mail - Fwd: Rfund



Jonathan Hanley <jhanley@consumerdefense.com>

Fwd: Rfund

1 message

Audit Department <auditdept@preferredlawteam.com>

Fri, Feb 10, 2017 at 8:11 AM

To: jhanley@consumerdefense.com, SXIMENAH@consumerdefense.com

I have offered this guy 700 of the 2725.00 he paid
he opted out of the process and I am 100% positive he received a mod off what we submitted

you want me to increase or leave it be? He is a police officer??

Let me know.. We have good notes on this file

PREFERRED LAW, PLLC**AUDIT DEPARTMENT****1-888-980-7519 Ext 238**

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----- Forwarded message -----

From: [REDACTED]@gmail.com>

Date: Wed, Jan 25, 2017 at 1:12 PM

Subject: Re: Rfund

To: Audit Department <auditdept@preferredlawteam.com>

Ditech has told me different. I along with my attorney

As well as the people from NACA know different as well..

In agreement with my attorney \$1300 is reasonable and I will accept nothing less at this time. Due to the nature of this and the greater ramifications I know it will be. If you all continue this process after taking more than what I have requested, I will continue with the entities I have been in contact with. Again your reviews as well as current claims with the Better Business Bureau are sufficient enough evidence for my claim.

Thank You.

On Jan 25, 2017 15:02, "Audit Department" <auditdept@preferredlawteam.com> wrote:

It absolutely was detrimental in stopping the foreclosure.

Again our previous offer still stands.

PREFERRED LAW, PLLC**AUDIT DEPARTMENT****1-888-980-7519 Ext 238**

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On Tue, Jan 24, 2017 at 2:15 PM, [REDACTED]@gmail.com> wrote:

All information was given.

The last portion was not provided due to the information that was submitted by Ditech to myself and my wife. The bank information was not detrimental to what was already in place.

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1/23/2018

Consumer Defense, LLC Mail - Fwd: Rfund

On Jan 24, 2017 16:12, "Audit Department" <auditdept@preferredlawteam.com> wrote:
Mr Thrower,

We do understand that a sale date was issued on the property. However that doesn't prove no work was done on your behalf. If YOU would have sent the requested bank statements it would have AGAIN completed your file within Ditech, which in turn would have put a hold on the foreclosure, as long as no other items were requested within Ditech's underwriting department. Therefore, we are still standing with our second offer of \$700.00 we feel as though it is more than fair regarding the amount of work that was completed on your behalf. Technically as mentioned sometime ago when a client cancels especially due to a document request we cannot just go back and give them a full refund do to the amount of work that was done in order to get the file into underwriting. Which is exactly where your file was at, when the additional bank statements were requested, which you refused to send.

PREFERRED LAW, PLLC
AUDIT DEPARTMENT
1-888-980-7519 Ext 238

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On Tue, Jan 24, 2017 at 6:04 AM, [REDACTED]@gmail.com> wrote:

Good morning.

I have yet to get a response in regards to my request on 1/13/17. The previous attempts have failed as well. I am not sure what the point of not taking or failing to answer calls prove in regards to the audit department. All things are noted.

On Jan 13, 2017 15:44, "Audit Department" <auditdept@preferredlawteam.com> wrote:
Mr. Thrower,

Your emails were forwarded to upper management and they have increased the refund offer per your request to \$700.00. Unfortunately they are not able to offer any additional due to the amount of work done on your behalf.

PREFERRED LAW, PLLC
AUDIT DEPARTMENT
1-888-980-7519 Ext 238

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On Mon, Jan 9, 2017 at 2:28 PM, [REDACTED]@gmail.com> wrote:

Submitted: October 28, 2016
Your chosen response date: 12/23/16
Actual Response date: 01/05/17
Send to Management notice: 01/09/17
Sale date for my house: 12/05/16
I am formally requesting \$1550

On Jan 9, 2017 4:17 PM, "Audit Department" <auditdept@preferredlawteam.com> wrote:
Mr. Thrower,

Thank you for following up. We have notified management of your request.

We will follow up once management gets back to us regarding your requests.

PREFERRED LAW, PLLC
AUDIT DEPARTMENT

EXHIBIT 20
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<https://mail.google.com/mail/u/0/?ui=2&ik=0864fba32f&jsver=2WGmGQ4tSfE.en.&view=pt&q=315thrower&gs=true&search=query&th=15a28cae1743...> 3/4

1/23/2018

Consumer Defense, LLC Mail - Fwd: Rfund

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1/22/2018

Consumer Defense, LLC Mail - Re: Jon, any thoughts???



Audit Department <auditdepartment@consumerdefense.com>

Re: Jon, any thoughts???

2 messages

Jonathan Hanley <jhanley@americanhomeloans.com>

Mon, May 8, 2017 at 1:17 PM

To: Sandra Office Manager <sandraofficemanager@defaultsupport.com>, Audit Department <auditdepartment@consumerdefense.com>

So just to be clear we have this file for three or four months and she only paid the crisis fee?

On May 8, 2017, at 2:06 PM, Sandra Office Manager <sandraofficemanager@defaultsupport.com> wrote:

----- Forwarded message -----

From: **Audit Department** <auditdepartment@consumerdefense.com>

Date: Fri, May 5, 2017 at 3:52 PM

Subject: Fwd: needs attention

To: Jonathan Hanley <jhanley@consumerdefense.com>, sandraofficemanager@defaultsupport.com

just fyi

I have denied her she paid of only and we stopped the sale date (although we did speak about bk) are you wanting me to offer her a refund or leave it denied??

Please advise !!

----- Forwarded message -----

From: [REDACTED]@hotmail.com>

Date: Thu, May 4, 2017 at 3:06 PM

Subject: Re: needs attention

To: Audit Department <auditdepartment@consumerdefense.com>

Audit Department,

I'm sorry that isn't true! I'm sure your "advisor" Rod K. legally shouldn't of told me to stop making my first mortgage payment. Also NO ONE contacted BOA who was the lender that was foreclosing. At the end of February (I started this process in December) still nothing sent to BOA. I was informed on February 27th I need to file chapter 13 at a court 6 hours away so your company could do what they never did do with BOA. With just one day left I myself found an attorney that filed chapter 13 for me on the day it was suppose to sell. So please tell me what was "the amount of work" you did for me. I would really like to know that. I have emails showing how nothing was done for me until the house was ready to sell. I would like a response show the work that they did for me.

[REDACTED] McFadden

1/22/2018

Consumer Defense, LLC Mail - Re: Jon, any thoughts???

From: Audit Department <auditdepartment@consumerdefense.com>

Sent: Thursday, May 4, 2017 1:15 PM

To: [REDACTED] McFadden

Subject: Re: needs attention

D [REDACTED]

We have finished our full review of your file and do to the amount of work that was done on your behalf we are not able to offer a refund. We do show at the time you became a client that you did have a foreclosure sale date which our services helped get postponed.

We apologize for any frustration the outcome may cause. Please let us know if you have any further questions.

On Mon, Apr 24, 2017 at 9:45 AM, [REDACTED]<[REDACTED]@hotmail.com> wrote:

Audit Department.

On 4/4/17 I faxed to you the documents you requested. I would like to know the status on the refund I requested.

Thank You,

[REDACTED] McFadden

From: Audit Department <auditdepartment@consumerdefense.com>

Sent: Monday, March 20, 2017 1:17 PM

To: [REDACTED] McFadden

Subject: Re: needs attention

D [REDACTED]

If you would like us to look at refund options for you please see the attached forms that need to be filled out and returned.

Please let us know if you have further questions at this time.

On Mon, Mar 6, 2017 at 4:26 PM, [REDACTED]<[REDACTED]@hotmail.com> wrote:

1/22/2018

Consumer Defense, LLC Mail - Re: Jon, any thoughts???

I am writing because of what has happened to me in the last couple of weeks. I started with your company in December I was told that you would save me from losing my house due to foreclosure from my 2nd lender. Since December I was told by one of your "advisers" to stop paying my 1st mortgage, which was current, in order to do the modification process. In January I talked to E. Austin explained that it was important to work with BOA, my second lender, they are the ones that is foreclosing. All the documents that was asked of me I sent to you in a very timely manner, either that day or the next. In February I was dealing with X. Larios I told her the same thing to get the documents to BOA I have a sell date of 3/1. I told X. Larios several times about BOA, sell date, faxing notes left on my door. At the end of February I am now dealing with Mia A. Who informs me that due to not having documents I need to run down to the court house and file chapter 13. This court house is 5 to 6 hours one way away and 2 days left till my house sells. When talking to Mia she was very flippant with her comments using caps and very unprofessional. When asked what documents I was missing the only thing Mia could come up with was my award letter. Proof of income I sent by sending you 3 months of bank statements showing my direct deposit from disability. I did find another option and was able to save my house. I think since you company has done nothing for me I should be refunded the \$1000.00 I have already paid to you. At least I would be able to repay my first mortgage due to the poor advise you provided me. I would like to hear back from someone on this matter. I also will not be using your services any more

Regards.

[REDACTED] McFadden

[REDACTED]
[REDACTED]@hotmail.com

--

Regards,

Consumer Defense Audit Department
888-980-7519 Ext 238

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Regards,

Consumer Defense Audit Department
888-980-7519 Ext 238

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1/22/2018

Consumer Defense, LLC Mail - Re: Jon, any thoughts???

please contact the sender at the e-mail address listed above and destroy all copies of the original message, including any attachments. Thank you.

Regards,

Consumer Defense Audit Department
888-980-7519 Ext 238

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Audit Department <auditdepartment@consumerdefense.com>

Mon, May 8, 2017 at 1:31 PM

To: Jonathan Hanley <jhanley@americanhomeloans.com>, sandraofficemanager@defaultsupport.com

CORRECT SHE WAS ROD'S AND WAS SET UP ON \$500.00 PER MONTH SHE PAID TWO FOR A TOTAL OF 1000.00

[Quoted text hidden]

1/23/2018

Consumer Defense, LLC Mail - Re: Task Reminder for [REDACTED] Kimbrough... Your payment is due



Alli Parkinson <aparkinson@consumerdefense.com>

Re: Task Reminder for [REDACTED] Kimbrough... Your payment is due

11 messages

[REDACTED]@gmail.com>
 To: aparkinson@consumerdefense.com

Tue, Oct 4, 2016 at 2:58 PM

Who is this and what is it for?

On Oct 4, 2016 2:51 PM, "Alli Parkinson" <info@mailers.theloanpost.com> wrote:

Hi [REDACTED] Kimbrough,

You have a task to do.

Subject: Your payment is due**Client Name:** [REDACTED] Kimbrough**Property Address:** [REDACTED] DeSota, MO.63020**Due On:** Oct 6, 2016 06:30 PM - EST**Comments:**

If your payment is declined or returned there will be a \$25.00 fee added to your account. Any file with a payment hold will have a \$50.00 fee added to the account to remove the hold.

Your payment will be processed using the bank account information that you provided and will be listed on your bank statement as one of the following:

- * AM Property Management
- * Preferred Law

If you have any questions regarding this payment please give the billing department a call at 888-980-7457 ext 235.
 ANY RESCHEDULED PAYMENTS WILL HAVE A \$50.00 CHARGE.

If you would like to unsubscribe and stop receiving these emails click here.

Alli Parkinson <aparkinson@consumerdefense.com>
 To: [REDACTED]@gmail.com>

Wed, Oct 5, 2016 at 9:11 AM

This is the payment to Consumer Defense you'd set up with Rod Kartchner.

[Quoted text hidden]

--
 --Thanks

--Alli Parkinson
 Billing
 Consumer Defense

500 North Rainbow Blvd

EXHIBIT 20
 Page 134

1/23/2018

Consumer Defense, LLC Mail - Re: Task Reminder for [REDACTED] Kimbrough... Your payment is due

Suite 300, PMB 130
Las Vegas, NV 89107

801-938-8066

888-334-7255 FAX

Hours of operation Monday-Friday 7:00-3:00 (PST)

Confidentiality Notice: This message, including any attachment(s), may contain confidential information protected by law. The information contained herein is for the sole use of the intended recipient(s). If you have received this message in error, please contact the sender at the e-mail address listed above and destroy all copies of the original message, including any attachments. Thank you.

[REDACTED]@gmail.com
To: Alli Parkinson <aparkinson@consumerdefense.com>

Thu, Oct 20, 2016 at 5:16 PM

Alli, please refund my money paid, 1000.00. Your company did not resolve this issue as promised. Do not take any other money from my account. This was not solved as guaranteed by your company. Thank you for your time. I will look for my refund tomorrow. Thank you, [REDACTED] Kimbrough

[Quoted text hidden]

Alli Parkinson <aparkinson@consumerdefense.com>
To: [REDACTED]@gmail.com

Fri, Oct 21, 2016 at 7:06 AM

No further funds will be drawn.

I do not have the ability to refund your payments. You would need to contact the audit department for that. They can be reached at 888-980-7566 ext 238.

[Quoted text hidden]

--Thanks

--Alli Parkinson
Billing
Consumer Defense & AHLC
801-938-8066

Hours of operation Monday-Friday 8:00-4:00 (MST)

Confidentiality Notice: This message, including any attachment(s), may contain confidential information protected by law. The information contained herein is for the sole use of the intended recipient(s). If you have received this message in error, please contact the sender at the e-mail address listed above and destroy all copies of the original message, including any attachments. Thank you.

[REDACTED]@gmail.com
To: Alli Parkinson <aparkinson@consumerdefense.com>

Fri, Oct 21, 2016 at 8:32 AM

Thanks Alli

[Quoted text hidden]

[REDACTED]@gmail.com
To: Alli Parkinson <aparkinson@consumerdefense.com>

Mon, Oct 24, 2016 at 2:04 PM

Alli, I have not received my refund of \$1000.00 ! Please refund this amount back in my account. I have left messages and I have not received my refund. Thank you, Tammy Kimbrough

[Quoted text hidden]

EXHIBIT 20

Page 135

1/23/2018

Consumer Defense, LLC Mail - Re: Task Reminder for [REDACTED]

Kimbrough... Your payment is due

Alli Parkinson <aparkinson@consumerdefense.com>

Mon, Oct 24, 2016 at 2:10 PM

To: [REDACTED]@gmail.com>

As I explained on Friday, I do not have the ability to refund your payments. You would need to contact the audit department for that. They can be reached at 888-980-7566 ext 238. I have no control in regards to refunds.

[Quoted text hidden]

[REDACTED]@gmail.com>

Mon, Oct 24, 2016 at 4:50 PM

To: Alli Parkinson <aparkinson@consumerdefense.com>

I've left messages and no one has responded! You were able to get my money out and I have to get it back! You took 2 months to tell me you can't help me and \$1000.00!! I need it refunded immediately!

[Quoted text hidden]

Alli Parkinson <aparkinson@consumerdefense.com>

Tue, Oct 25, 2016 at 7:03 AM

To: [REDACTED]@gmail.com>

Again, I do not have the ability to refund your payments. You would need to contact the audit department for that. They are off site so I have no idea when they are available or not, but I do know they respond to messages. I have no control in regards to refunds. All I can do is direct you to them.

[Quoted text hidden]

[REDACTED]@gmail.com>

Tue, Oct 25, 2016 at 7:12 AM

To: Alli Parkinson <aparkinson@consumerdefense.com>

Alli, please direct them to me. Your manager can do a refund. I will expect a full refund by the end of the day. Thank you

[Quoted text hidden]

Alli Parkinson <aparkinson@consumerdefense.com>

Tue, Oct 25, 2016 at 7:16 AM

To: [REDACTED]@gmail.com>

No, my manager cannot do a refund. Only the audit department can, and again, they are not on site, so I don't know when they are in or not. I have nothing further to tell you on this. You need to contact them.

[Quoted text hidden]

EXHIBIT 21

White board from processing room

EXHIBIT 21

N

REP	Active	SD	HOLD	M	T	W	Th	F
Alli	—	—	All	$\frac{2}{2}$	$\frac{3}{2}$	$\frac{0}{2}$	—	—
Becca (23)	28	9	1	$\frac{0}{0}$	$\frac{3}{2}$	$\frac{1}{0}$	—	—
Cameron	32	3	6	$\frac{34}{17}$	$\frac{14}{4}$	$\frac{16}{8}$	—	—
Jordan (27)	18	6	4	$\frac{6}{4}$	$\frac{7}{2}$	—	—	—
Josh	38	3	6	$\frac{4}{3}$	$\frac{5}{4}$	$\frac{7}{5}$	—	—
Lizzie	21	1	1	$\frac{6}{5}$	$\frac{10}{9}$	$\frac{6}{4}$	—	—
Mia (30)	34	6	6	$\frac{3}{2}$	$\frac{8}{2}$	$\frac{10}{2}$	—	—
Michael (9)	39	10	4	—	$\frac{12}{4}$	$\frac{—}{2}$	—	—
Vince	—	—	—	Sent class letters to the teacher Scanning and uploading Docs	Uploading Docs Sent class letters to the teacher	Sent class letters to teachers and Scanning/Uploading Docs	—	—

EXHIBIT 22

Preliminary Financial Report prepared by
Lone Peak Valuation Group

EXHIBIT 22



RECEIVER'S PRELIMINARY FINANCIAL REPORT

FEDERAL TRADE COMMISSION

v.

CONSUMER DEFENSE, LLC et al.

Case No.: 2:18-cv-0030-JCM-PAL

Submitted by:

James T. Wood, CPA/CFF, CFE

Principal

Date of Report:

January 22, 2018

A. INTRODUCTION

Lone Peak Valuation Group (“Lone Peak Valuation Group” or “Lone Peak”) has been retained to provide forensic accounting services by the Court-Appointed Temporary Receiver, Thomas W. McNamara (the “Receiver”), in the action of the Federal Trade Commission (“FTC” or “Plaintiff”) against Consumer Defense, LLC, et al. (“Consumer Defense” or the “Defendant”).

The findings herein are based on my work to date and currently available documents. I may supplement, update, or otherwise modify this report at a later date based on additional documents or information produced or discovered during the proceedings of this matter.

This report has been prepared solely in connection with the matter referenced herein and is intended for no other use.

B. QUALIFICATIONS

I am a Principal of Lone Peak Valuation Group. Prior to joining Lone Peak, I was a Managing Director with the StoneTurn Group, where I led investigation and consulting engagements. Before StoneTurn, I was a Supervisory Forensic Accountant at the Federal Bureau of Investigation in both Salt Lake City and Washington, D.C. While in Washington, I headed the agency's Forensic Accountant Support Team at FBI headquarters. I began my career in the forensics practice at PricewaterhouseCoopers. I have over ten years of experience in conducting forensic accounting and fraud investigations, and am a Certified Public Accountant, Certified in Financial Forensics by the American Institute of Certified Public Accountants, and a Certified Fraud Examiner. I have also taught and/or currently teach courses as an adjunct instructor in financial accounting, auditing, and forensic accounting at American University, The George Washington University, and the University of Utah. Appendix B contains a copy of my Curriculum Vitae detailing my qualifications, publications, speeches, and prior testimony.

C. SCOPE

The financial information gathered to date and summarized in this report ("Report") is derived from documents gathered by the Receiver's forensic team and subsequently provided to me. In addition, I conducted an interview with one of the defendant's employees, responsible for client billing.¹

The primary objectives of my preliminary work in this matter were as follows:

- Identify financial and accounting records of the Defendant
- Identify financial processes and systems used by the Defendant
- Determine the existence and extent of company revenues and expenses

D. FINANCIAL RECORD KEEPING AND PROCESSES

On January 11, 2018, I accompanied the Receiver and other professionals he has retained to the offices of Defendants. Based on discussions with various employees at the office, we determined that two of the individual defendants in the case, Jonathan and Sandra Hanley, controlled the business's accounting, banking and other financial record keeping functions, to the extent any such records exist. We also learned that one employee, Alana "Alli" Parkinson was involved in client billing.

According to the Receiver, prior to Mr. Hanley leaving the premises, he mentioned the business's use of Smartsheet, but did not provide any additional information on available accounting records, systems, processes, or the business's banking practices. Mrs. Hanley was not present when the Receiver was at the premises and I understand she did not provide any information upon being served with the TRO.

I interviewed Alana Parkinson, the Defendants' billing clerk mentioned above. Ms. Parkinson explained that the Defendant uses Smartsheet to track and processes payments from clients. Smartsheet is an online software, similar in functionality to Microsoft Excel. Ms. Parkinson reported that Smartsheet

¹ The data and information in this report is based on an initial review of limited numbers of documents, primarily online Smartsheet spreadsheets and limited tax returns. Notably, we have not seen any records showing expenses of the Defendants. Moreover, we have no basis for verifying the accuracy of information we have relied on as reflective of actual transactions which have occurred.

contains information on each of the Defendant's clients, including: name, contact information, billing due dates, client advisor or sales representative name, payment amounts, and method of client fee collection (ACH, credit/debit card, or written check). Ms. Parkinson manually processed client payments each day, recorded related information regarding the payments she processed, and prepared schedules of upcoming payments in Smartsheet. We relied on Ms. Parkinson's explanation that the data she input into Smartsheet accurately reflects the actual client billing activity.

Ms. Parkinson was also responsible for depositing checks mailed to the business into several accounts at Chase bank. The account numbers associated with these accounts were provided to the Receiver and FTC. Ms. Parkinson was not aware of any other bank accounts associated with the business.

E. AVAILABLE FINANCIAL RECORDS

The Receiver provided me with approximately 75 Excel Spreadsheets containing data downloaded from the Defendant's online Smartsheet account. Each spreadsheet had one or two tabs, which appeared to be designed to track the activities of each of Defendants' sales representatives and their client billings.

The Receiver also provided me with merchant transaction information for Chase Paymentech, in the name of American Home Loans, LLC, for September 2016 through November 2016 and an Excel spreadsheet of banking transactions for "AHL" for March 2017.

In addition, the Receiver provided me with tax returns for several receivership entities for various years. We do not have a full production of all receivership entity tax returns or for any single entity for all years.

We analyzed information in each of the Smartsheet data spreadsheets as well as the tax returns and prepared summaries of the data below and in attached schedules.

F. LOAN MODIFICATION REVENUE ANALYSIS AND FINDINGS

Based on our initial review of the financial data in Smartsheet, Defendants appear to have received approximately \$14,848,444 in Loan Modification Fee Revenue from June 1, 2011 through January 11, 2018. These fees were collected through four entities as follows:

Loan Modification Fee Revenue Receipts 2011 - 2018				
Entity	Total Receipts	No. of Transactions	Average Amount per Transaction	Refunds/ Chargebacks
American Home Loans	\$ 1,359,898	2,319	\$ 586.42	\$ (159,861)
Armour Debt Collections	\$ 19,700	39	\$ 505.13	\$ -
Consumer Defense	\$ 277,204	1,001	\$ 276.93	\$ (32,931)
Preferred Law	\$ 13,191,642	29,674	\$ 444.55	\$ (362,431)
Total	\$ 14,848,444	33,033	\$ 449.50	\$ (555,222)

These payments originated from approximately 4,457 unique payors or clients. A breakout of the number of unique customers and average payment by year is shown in the following table:

Unique Customers									
	2011	2012	2013	2014	2015	2016	2017	2018	Total
Unique Customers	93	654	1,188	1,231	1,502	1,010	868	137	4,457
Average Payment	\$ 664.66	\$ 564.88	\$ 548.24	\$ 462.47	\$ 461.57	\$ 331.28	\$ 370.53	\$ 413.34	\$ 449.50
Total Fee Revenue	\$ 253,237	\$ 1,700,839	\$ 3,155,104	\$ 2,483,476	\$ 3,287,299	\$ 2,185,136	\$ 1,729,619	\$ 53,734	\$ 14,848,444

Defendants issued refunds or had chargebacks in approximately 2.8% of cases from 2011 thru 2018. In 2017 and 2018, there was an increase in chargebacks as a percentage of total payments received. A breakdown of the Defendant's chargebacks as a percentage of total payments by year is shown in the following table:

Refunds and Chargebacks									
	2011	2012	2013	2014	2015	2016	2017	2018	Total
No. of Payments	381	3,011	5,755	5,370	7,122	6,596	4,668	130	33,033
Refund/Chargebacks	0	18	154	90	153	108	352	40	931
% Refunded/Chargebacks	0.0%	0.6%	2.7%	1.7%	2.1%	1.6%	7.5%	30.8%	2.8%
Total Refunded	\$ -	\$ (9,720)	\$ (109,613)	\$ (63,974)	\$ (101,575)	\$ (70,864)	\$ (179,583)	\$ (19,894)	\$ (555,222)

The Defendants' total receipts, less chargebacks and refunds, between 2011 and 2018, was \$14,293,221.

An additional detailed listing of revenues by entity and year is attached to this report in *Schedule 1*.

PAYMENT AMOUNT PATTERNS

Ms. Parkinson explained that the standard practice for the Defendant entities was to charge clients an initial retainer fee of \$3,900. This fee was often broken up into 6 payments of \$650. Once the clients reached the end of the retainer period, they would convert to making “continuity” payments of either \$297 or \$150 per month until their file was closed.

A review of the frequency of payment amounts in the financial data in Smartsheet shows that the most frequently paid amount was \$650. Four payment amounts: \$650, \$297, \$325 and \$150, make up more than 51% of the transactions and account for more than 52% of the total dollars collected. The following chart shows the four most frequently paid amounts and those payment amounts as a percentage of the total receipts for all entities.

Common Payment Amounts				
Monthly Payment Amount	Frequency of Payment Amount	Total Amount	% of Total Payments Made at this payment amount	% of Total Dollars collected at this payment amount
\$ 650	8,328	\$ 5,413,200	25.2%	36.5%
\$ 297	5,028	\$ 1,493,316	15.2%	10.1%
\$ 325	2,100	\$ 682,500	6.4%	4.6%
\$ 150	1,598	\$ 239,700	4.8%	1.6%
Total	17,054	\$ 7,828,716	51.6%	52.7%

\$650 was also the most frequently paid amount for Preferred Law and American Home Loans. Consumer Defense, however, had more payments at \$297, but showed a similar frequency in common payment amounts. A detailed charge showing the most common payment amounts to each entity is provided below.

TOP 3 MOST FREQUENT PAYMENT AMOUNTS BY ENTITY		
Preferred Law		
Payment Amount	Frequency	Total Amount
\$ 650	7,586	\$ 4,930,900
\$ 297	4,505	\$ 1,337,985
\$ 325	1,946	\$ 632,450
American Home Loans		
Payment Amount	Frequency	Total Amount
\$ 650	644	\$ 418,600
\$ 297	263	\$ 78,111
\$ 1,300	248	\$ 322,400
Consumer Defense		
Payment Amount	Frequency	Total Amount
\$ 297	276	\$ 81,972
\$ 150	206	\$ 30,900
\$ 650	91	\$ 59,150
Armour Debt Collection		
Payment Amount	Frequency	Total Amount
\$ 650	14	\$ 9,100
\$ 550	4	\$ 2,200
\$ 100	4	\$ 400

MERCHANT ACCOUNTS

Smartsheet contains some data on merchant vendors used by the Defendant entities to process payments. A merchant name is not present for all processed payments. The following chart shows the merchants identified in Smartsheet, dates of use, and the approximate number of transactions during each year it appears they were used, where this information was documented in Smartsheet.

Transaction Count by Merchant (If Documented)									
Merchant Name	2011	2012	2013	2014	2015	2016	2017	2018	Grand Total
Authorize.net		988	1,770	2,550	807	3	1,110	121	7,349
Chase					4,634	6,333	349		11,316
Check		10	23	9	17	12	2		73
Fusion							1,076		1,076
Helcim							33		33
Intuit		959	1,989	1,842	1,760	455	1,132		8,137
Paypal	150	3					2		155
Select Bank							113		113
Stripe							6		6
Virtual Check							400		400
Zions		348	900	45	1				1,294
Total	150	2,308	4,682	4,446	7,219	6,803	4,223	121	29,952

Intuit and Authorize.net appear to be consistently used from 2012 to 2017. There appears to be a shift from the use of Zions to Chase in 2015. Some entries within Smartsheet also indicate that Intuit and Zions may be linked as well as Chase and Authorize.net. In other words, it is possible the Intuit merchant payments are deposited into the Zions account and Authorize.net payments into the Chase account. This is not clear from the currently available data.

CHASE BANK AND MERCHANT ACCOUNT RECORDS

We compared the Chase Paymentech deposits in the name of American Home Loans, LLC for September 2016 through November 2016. In all three months the deposits noted in the merchant account statements exceeded the deposits recorded in Smartsheet. A summary comparing Smartsheet data to Paymentech follows:

Paymentech Deposit Comparison			
	September 2016	October 2016	November 2016
All Receipts per Chase Paymentech	\$ 271,654	\$ 267,977	\$ 311,695
All Receipts per Smartsheet	\$ 184,018	\$ 132,132	\$ 108,965
Difference in Total Deposits/Receipts	\$ 87,636	\$ 135,845	\$ 202,731
No. of Transactions per Chase Paymentech	639	611	673
No. of Transactions per Smartsheet	561	422	382
Difference in No. of Transactions	78	189	291

Based on this limited sampling it appears that not all revenues were recorded in Smartsheet.

We also reviewed transactions in a spreadsheet provided by the Receiver labeled "CHASE AHL MARCH 2017." This data also showed a discrepancy in the total deposits as compared to the receipts shown in Smartsheet for March 2017 as follows:

	March 2017
Total Deposits per Chase	\$ 45,986
Total Receipts per Smartsheet	\$ 135,309
Difference in Deposits/Receipts	\$ (89,323)

In the case of these bank transactions, it appears the Smartsheet data shows deposits which exceed the deposits into the bank.

The Chase bank transaction spreadsheet showed wages paid in March 2017 (classified as “ADP Wages”) totaling \$65,360. These wages exceeded the monthly deposits shown in that same transaction spreadsheet by \$19,375.

AMERICAN HOME LOANS - FUNDED

Certain spreadsheets from the Smartsheet download were associated with the name American Home Loans - Funded (“AHL-Funded”). I understand that in a few cases the Defendant negotiated with lenders for a reduced payoff amount, paid off the original mortgage, and issued a new mortgage to the borrower. In those instances, the clients made mortgage payments directly to the Defendant in the name of American Home Loans. These were internally classified as “AHL-Funded.” The Defendant received payments of \$227,098 from 2011 to 2018 to AHL-Funded as follows:

American Home Loans - Funded Receipts by Year						
2013	2014	2015	2016	2017	2018	Total
\$ 554	\$ 14,447	\$ 44,395	\$ 71,148	\$ 90,628	\$ 5,925	\$ 227,098

The Smartsheet data indicates all revenue attributed to American Home Loans between 2013 and 2016 was solely from these “Funded” mortgage payments. In 2017, only after the apparent rapid decline or shift in receipts from Preferred Law, discussed below, did American Home Loans begin receiving funds from other client types.

The Smartsheet data related to AHL-Funded includes information on total loan or principal amounts due as well as expected future payments on Defendant-issued mortgages. As of January 11, 2018, AHL-Funded appears to be servicing 25 active mortgages or loans, with total payments due during 2018 of \$108,377.47.

Smartsheet data also indicates loan amounts and terms of between 1 and 30 years and shows principal loan amounts for each loan, such as “60k/20yr.” Based on this information, it appears the loans with

payments being paid to AHL-Funded have a principal balance of \$1,307,012.72. A schedule of the currently outstanding loans is located in the attached *Schedule 2*.

ROYAL TERRACE

Royal Terrace is an entity label indicated in Smartsheet; however, it appears this label is not an actual business entity. The receipts associated with Royal Terrace appear to be deposits, payments and refundable deposits related to vacation rental by owner (VRBO) receipts on an AM Property Management, LLC-owned condominium located at 8165 Royal St. Apt. 9, Park City, UT.

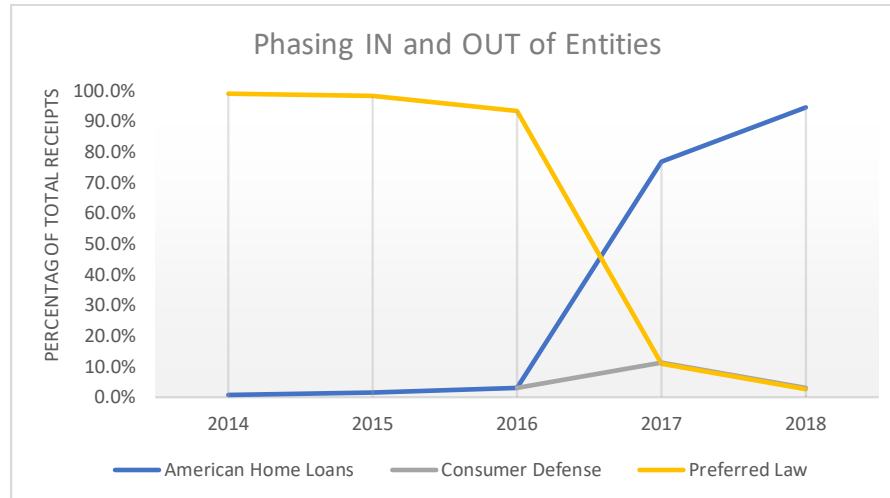
Notes in the Royal Terrace Smartsheet file reference VRBO, “Security Deposits”, and “Refundable Deposit”. The payments to Royal Terrace are also irregular, large in comparison to receipts noted in the other entity files, and do not follow the typical pattern of payments noted above.

The Defendants received approximately \$42,452 in revenues from Royal Terrace rental payments as follows:

Royal Terrace Receipts by Year					
2014	2015	2016	2017	2018	Total
\$ 12,438	\$ 15,820	\$ 8,250	\$ 5,944	\$ -	\$ 42,452

SHIFTING REVENUE SOURCES

A review of the changes in receipts by entity, year-over-year, shows a phasing in and out of particular entities that were receiving funds. This is most notable between 2016 and 2017.



Preferred Law was the Defendants' main source of funds from 2011 through 2016, responsible for more than 93% of receipts each year; however, between 2016 and 2017, Preferred Law's receipts declined by 91%, resulting in it accounting for only 11% of the Defendants' total receipts in 2017.

During 2017, however, while Preferred Law's receipts declined by \$1.9 million, American Home Loans' receipts increased \$1.4 million, an increase of 1,867%, resulting in American Home Loans accounting for 76.7% of the Defendant's total 2017 receipts, replacing Preferred Law as the Defendants' main source of revenue. Further, Consumer Defense, which started receiving funds in 2016, also increased its receipts between 2016 and 2017 by 208%, also exceeding Preferred Law's 2017 collections. Prior to 2017, American Home Loans was not receiving retainer or continuity payments.

ANALYSIS OF TAX RETURNS PROVIDED

We reviewed partial tax returns related to several defendant entities, including: AM Property Management, LLC; Brown Legal Inc; Modification Review Board, LLC; and, Preferred Legal, LLC. The total receipts identified in Smartsheets did not agree with any tax returns we were able to review. The following is a summary of the receipts and expenses for entities with tax returns we were able to review:

	RECEIPTS AND EXPENSES PER AVAILABLE TAX RETURNS				
	AM PROPERTY MANAGEMENT, LLC				
	2011	2012	2013	2015	2016
Gross Receipts	N/A	\$ 851,344	\$ -	\$ -	\$ -
Total Expenses	N/A	\$ 835,488	\$ 47	\$ 2,766	\$ 47
Net Profit (Loss)		\$ 15,856	\$ 47	\$ (2,766)	\$ (47)
	BROWN LEGAL INC				
Gross Receipts	\$ 304,969	\$ 1,623,726	\$ 1,314,231	N/A	N/A
Total Expenses	\$ 185,543	\$ 1,151,456	\$ 363,432	N/A	N/A
Net Profit (Loss)	\$ 119,426	\$ 472,270	\$ 950,799		
	MODIFICATION REVIEW BOARD, LLC				
Gross Receipts	\$ -	\$ -	\$ 1,233,240	\$ 1,298,742	N/A
Total Expenses	\$ -	\$ -	\$ 1,221,283	\$ 1,367,480	N/A
Net Profit (Loss)	\$ -	\$ -	\$ 11,957	\$ (68,738)	
	PREFERRED LEGAL, LLC				
Gross Receipts	N/A	N/A	\$ 313,713	N/A	N/A
Total Expenses	N/A	N/A	\$ 281,823	N/A	N/A
Net Profit (Loss)			\$ 31,890		

We also evaluated gross receipts of the combined entities. The gross receipts of the combined entities also did not agree with the receipts in Smartsheet for any single or combined entity(ies). A summary of the gross receipts and expenses for all entity tax returns reviewed is below.

	COMBINED ENTITIES				
	2011	2012	2013	2015	2016
Gross Receipts	\$ 304,969	\$ 2,475,070	\$ 2,861,184	\$ 1,298,742	\$ -
Total Expenses	\$ 185,543	\$ 1,986,944	\$ 1,866,585	\$ 1,370,246	\$ 47
Net Profit (Loss)	\$ 119,426	\$ 488,126	\$ 994,599	\$ (71,504)	\$ (47)
Total Receipts per Smartsheet	\$ 253,237	\$ 1,700,839	\$ 3,155,104	\$ 3,287,299	\$ 2,185,136

We have not found or been provided with any accounting records showing the expenses of the Defendants. As a result, we have no means of verifying whether the expenses claimed in the tax returns reflect actual expenditures.

FURTHER INVESTIGATION

Additional investigation is needed to resolve discrepancies in reported income and expenses. It is unclear from the tax returns and Smartsheet data whether the revenues in the tax returns are related to one of the entities noted in Smartsheet, or from an entirely different source unaccounted for in Smartsheet. Additional review of tax returns, entity bank statements, and expense records for the Defendants, including wages paid is recommended.

Respectfully Submitted,

A handwritten signature in blue ink that reads "James T. Wood". The signature is written in a cursive style with a horizontal line underneath the name.

James T. Wood, CPA/CFF, CFE

Principal

Lone Peak Valuation Group

FTC v. Consumer Defense, LLC, et al

Appendix A

Schedules

- 1 Loan Modification Revenue and Transaction Details by Year**
- 2 American Home Loans - Funded: Loans Currenty Being Serviced**

Schedule 1

FTC v. Consumer Defense, LLC, et al

Loan Modification Revenue and Transaction Details by Year

Entity	2011	2012	2013	2014	2015	2016	2017	2018	GRAND TOTAL
American Home Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,309,561	\$ 50,337	\$ 1,359,898
Armour Debt Collections	\$ -	\$ -	\$ -	\$ -	\$ 4,550	\$ 3,750	\$ 11,300	\$ 100	\$ 19,700
Consumer Defense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,471	\$ 208,040	\$ 1,693	\$ 277,204
Preferred Law	\$ 253,237	\$ 1,700,839	\$ 3,155,104	\$ 2,483,476	\$ 3,282,749	\$ 2,113,915	\$ 200,718	\$ 1,604	\$ 13,191,642
Total Fee Revenue	\$ 253,237	\$ 1,700,839	\$ 3,155,104	\$ 2,483,476	\$ 3,287,299	\$ 2,185,136	\$ 1,729,619	\$ 53,734	\$ 14,848,444
American Home Loans	-	-	-	-	-	-	2,219	100	2,319
Armour Debt Collections	-	-	-	-	7	8	23	1	39
Consumer Defense	-	-	-	-	-	115	874	12	1,001
Preferred Law	381	3,011	5,755	5,370	7,115	6,473	1,552	17	29,674
# of Payments	381	3,011	5,755	5,370	7,122	6,596	4,668	130	33,033
American Home Loans							\$ 590.16	\$ 503.37	\$ 586.42
Armour Debt Collections					\$ 650.00	\$ 468.75	\$ 491.30	\$ 100.00	\$ 505.13
Consumer Defense						\$ 586.70	\$ 238.03	\$ 141.08	\$ 276.93
Preferred Law	\$ 664.66	\$ 564.88	\$ 548.24	\$ 462.47	\$ 461.38	\$ 326.57	\$ 129.33	\$ 94.35	\$ 444.55
Average Payment	\$ 664.66	\$ 564.88	\$ 548.24	\$ 462.47	\$ 461.57	\$ 331.28	\$ 370.53	\$ 413.34	\$ 449.50
American Home Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (140,364)	\$ (19,497)	\$ (159,861)
Armour Debt Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consumer Defense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,625)	\$ (30,009)	\$ (297)	\$ (32,931)
Preferred Law	\$ -	\$ (9,720)	\$ (109,613)	\$ (63,974)	\$ (101,575)	\$ (68,239)	\$ (9,211)	\$ (100)	\$ (362,431)
Total Refunded	\$ -	\$ (9,720)	\$ (109,613)	\$ (63,974)	\$ (101,575)	\$ (70,864)	\$ (179,583)	\$ (19,894)	\$ (555,222)
American Home Loans	-	-	-	-	-	-	236	37	289
Armour Debt Collections	-	-	-	-	-	-	-	-	-
Consumer Defense	-	-	-	-	-	4	63	1	68
Preferred Law	-	18	154	90	153	104	53	2	574
Refund Count	-	18	154	90	153	108	352	40	931
American Home Loans	-	-	-	-	-	-	486	108	506
Armour Debt Collections	-	-	-	-	2	2	6	1	6
Consumer Defense	-	-	-	-	-	40	139	12	141
Preferred Law	93	654	1,188	1,231	1,500	968	237	16	3,804
Unique Customers	93	654	1,188	1,231	1,502	1,010	868	137	4,457

Schedule 2

FTC v. Consumer Defense, LLC, et al

American Home Loans - Funded**Loans currently being serviced**

Borrower Last Name(s)	Monthly Payment Amount	Principal Amount	Term (Years)	Total of Remaining Payments (including interest)	# of Remaining Payments	Previously Paid
Bamke	\$ 317.94	\$ 60,000.00	20	\$ 69,310.92	219	\$ 7,462.62
Bell	\$ 750.73	\$ 190,000.00	30	\$ 246,239.44	329	\$ 24,273.36
Boone/Adams	\$ 465.00	\$ 60,000.00	20	\$ 106,950.00	231	\$ 5,420.00
Crahan	\$ 485.64	\$ 50,000.00	30	\$ 173,859.12	360	\$ 4,438.28
Crump	\$ 333.00	\$ 35,000.00	30	\$ 114,885.00	346	\$ 5,695.00
Davis	\$ 516.40	\$ 115,000.00	30	\$ 177,125.20	344	\$ 7,796.00
Edgar	\$ 344.00	\$ 45,000.00	15	\$ 58,480.00	171	\$ 6,084.00
Edge	\$ 464.00	\$ 40,000.00	10	\$ 54,388.00	119	\$ 1,158.00
Gura	\$ 217.10	\$ 11,788.00	5	\$ 6,404.45	60	\$ 6,621.56
Holloway	\$ 253.38	\$ 38,000.00	15	\$ 35,219.82	139	\$ 10,185.20
Jelsma	\$ 554.43	\$ 150,000.00	30	\$ 171,873.30	311	\$ 27,721.50
Johnson	\$ 373.94	\$ 56,000.00	15	\$ 57,973.73	312	\$ 9,462.53
Larrison	\$ 325.58	\$ 30,000.00	10	\$ 32,232.42	100	\$ 6,185.45
K. Miller	\$ 137.07	\$ 7,352.26	5	\$ 6,918.15	60	\$ 2,762.07
T. Miller	\$ 332.86	\$ 45,000.00	15	\$ 46,958.26	142	\$ 13,281.54
Morris	\$ 863.23	\$ 125,000.00	15	\$ 126,894.81	147	\$ 31,787.48
Reno	\$ 125.14	\$ 1,489.60	1	\$ 1,251.40	11	\$ 2,035.28
Rhoden	\$ 550.00	\$ 64,000.00	15	\$ 86,810.00	158	\$ 10,577.88
Shelton	\$ 480.00	\$ 80,000.00	30	\$ 172,320.00	360	\$ 930.00
Shine/Myers	\$ 148.36	\$ 12,000.00	15	\$ 20,622.04	139	\$ 4,599.16
Sieve/Hart	\$ 331.50	\$ 18,000.00	5	\$ 5,967.00	19	\$ 13,923.00
Smith/Randolph	\$ 194.63	\$ 30,765.86	5	\$ 7,501.31	49	\$ 2,530.19
Strong	\$ 101.34	\$ 20,000.00	30	\$ 32,727.46	327	\$ 3,389.20
Suggs	\$ 110.92	\$ 14,500.00	15	\$ 16,083.40	146	\$ 6,193.12
Watson	\$ 149.49	\$ 8,117.00	5	\$ 3,089.80	22	\$ 3,938.27
Total	\$ 8,925.68	\$ 1,307,012.72		\$ 1,832,085.03		\$ 218,450.69

Lone Peak Valuation Group

FTC v. Consumer Defense, LLC, et al

Appendix B

Curriculum Vitae



JAMES T. WOOD, CPA/CFF, CFE

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Mr. Wood is a Principal at Lone Peak Valuation Group and specializes in fraud and forensic accounting examinations. He has extensive experience investigating and quantifying losses from Ponzi schemes, embezzlements, mortgage frauds, securities frauds, advance fee schemes, FCPA violations, public corruption, money laundering, check kiting, bankruptcy frauds, and cybercrimes. His previous positions include work as an FBI forensic accountant, where he conducted criminal investigations and supervised the Bureau's Forensic Accountant Support Team, a select group of FBI forensic accountants, based in Washington DC, responsible for conducting highly complex financial investigations across the United States and internationally. In conjunction with his fraud and forensic accounting examinations, Mr. Wood has testified in Federal Court, deposition, and at Grand Jury proceedings. Mr. Wood also has extensive experience as a college instructor, teaching graduate and undergraduate courses on financial and forensic accounting.

Mr. Wood is a Certified Public Accountant and is Certified in Financial Forensics by the American Institute of Certified Public Accountants. He is also a Certified Fraud Examiner.

Professional Experience

2017 to Present	Lone Peak Valuation Group <i>Principal</i> Salt Lake City, UT
2016 to 2017	StoneTurn Group <i>Managing Director</i> Washington, DC
2010 to 2016	Federal Bureau of Investigation Supervisory Forensic Accountant Washington, DC
2007 to 2010	PricewaterhouseCoopers, LLP <i>Senior Associate</i> Salt Lake City, Utah

Teaching Experience

2015 to Present	American University <i>Adjunct Instructor</i> Washington, DC
2015 to 2016	The George Washington University <i>Lecturer</i> Washington, DC
2013 to 2014	University of Utah <i>Associate Instructor</i> Salt Lake City, UT

Education

Masters of Accounting University of Utah, 2008	Salt Lake City, Utah
BS Accounting University of Utah, 2007	Salt Lake City, Utah

PROFESSIONAL CREDENTIALS

Certified Public Accountant (Licensed in Utah), 2009
 Certified Fraud Examiner (Association of Certified Fraud Examiners), 2009
 Certified in Financial Forensics (American Institute of Certified Public Accountants), 2017

PROFESSIONAL MEMBERSHIPS

American Institute of Certified Public Accountants
 Association of Certified Fraud Examiners

PRESENTATIONS

“*Forensic Accounting Overview*” FBI New Agent Training, Quantico, VA, Quarterly 2014 – 2016
 “*Conducting Financial Investigations*” State Police, Dubai, United Arab Emirates, May 2015
 “*Interviewing Techniques*” University of Utah, Salt Lake City, Utah, April 2014
 “*Bribery and Corruption Investigations*” National Accountability Bureau, Islamabad, Pakistan, August 2013

PRIOR TESTIMONY

Gil A. Miller, Trustee of the Randall Victims PAT v. Union Central Life Insurance Company
 United States of America v. Robert L. Holloway